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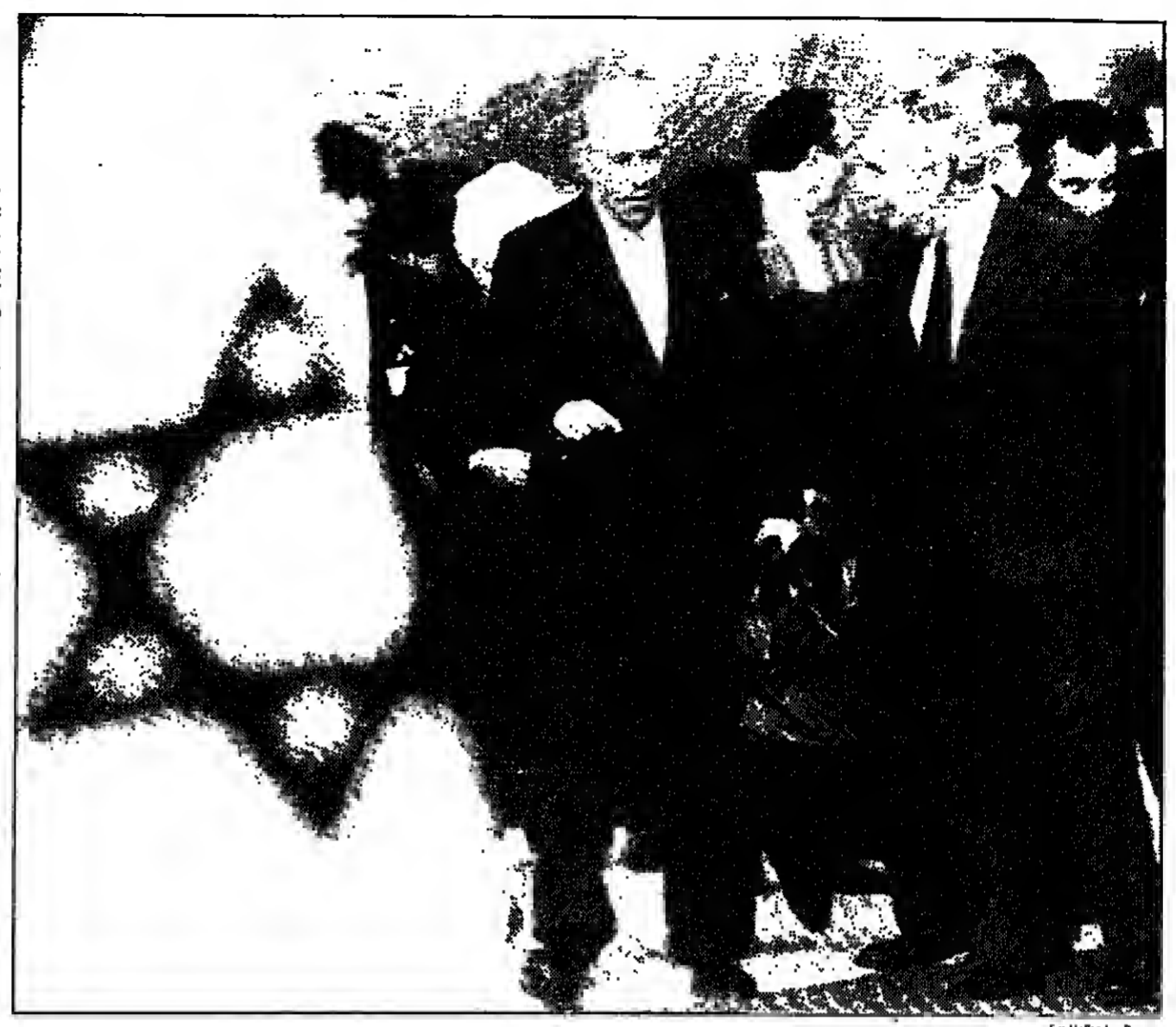
Published With The New York Times and The Washington Post

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Table with exchange rates for various currencies including Australia, Canada, and others.

ANC Vows to Step Up Fight In Response to Clampdown

By William Claiborne. JOHANNESBURG — The African National Congress guerrilla movement vowed Thursday to step up its armed struggle against white minority rule in South Africa in response to the government clampdown on leading anti-apartheid organizations.



Secretary of State George P. Shultz, left, was welcomed to Israel on Thursday by Foreign Minister Shimon Peres.

Shultz Arrives In Israel

By David K. Shipler. JERUSALEM — With a warning and a plea, Secretary of State George P. Shultz arrived in Israel on Thursday to pursue a peace mission against great odds.

France's Economy Limits Candidates

By Reginald Dale. PARIS — With presidential elections just two months away, the French economy is caught in a "low growth trap" that leaves candidates little room for proposing bold new policy initiatives, economists and independent analysts say.

Britain to Sell Utility for £27 Billion

By Karen DeYoung. LONDON — Britain's energy minister announced plans Thursday to denationalize the electricity industry in England and Wales, a £27 billion (\$47.5 billion) sale that would far outstrip previous privatizations undertaken by the Conservative government.

Kiosk

Noriega Fired By Panama

PANAMA CITY (AP) — President Eric Arturo Delvalle ordered General Noriega's military chief, General Manuel Antonio Noriega, out of his post on Thursday and named a replacement.



Roh Tae Woo being sworn in Thursday as president of South Korea. Page 6.

De Benedetti Doubles Bid For Generale

By Jacques Neher. PARIS — The Italian financier Carlo de Benedetti, refusing to accept victory claims by a rival group fighting for Societe Generale de Belgique, doubled his cash offer Thursday for shares that would give him majority control of Belgium's largest company.

Moscow Appears to Ease SDI Opposition

By Philip Taubman. MOSCOW — The Soviet Union, apparently dropping a key objection to the American development of space-based weapons, would not oppose the testing of components of such weapons in space, a senior Soviet official said Thursday.

Ben Gurion International Airport In Tel Aviv

"The time is right to move ahead. The time is right, together, to make decisions of historic proportions."

Sports

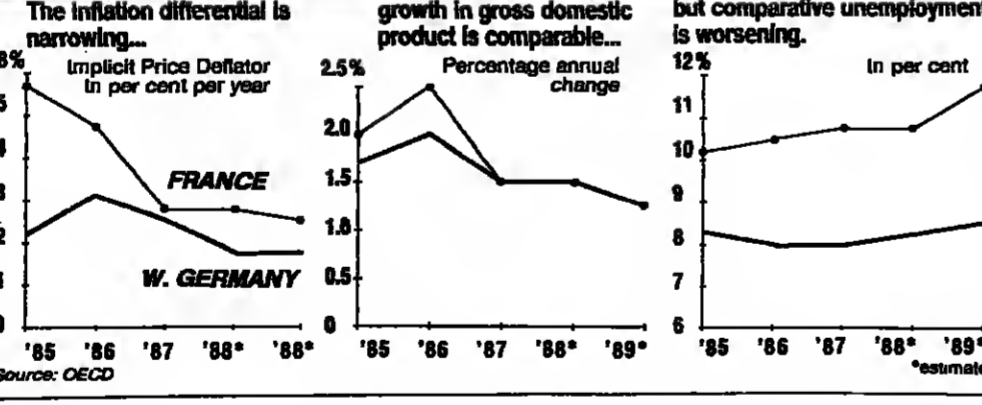
Alberto Tomba of Italy won the gold medal in the men's giant slalom ski race in the Winter Olympics. Page 14.

Business/Finance

The U.S. economy grew at a brisk annual rate of 4.5 percent in the fourth quarter of 1987. Page 17.

Table showing Dow Jones Industrial Average and other market indicators.

The French Economy: Three Comparative Measures Against West Germany



Wind Shifts for PLO Veterans

By Jonathan C. Randal. TUNIS — Their waists are thicker, their hair often grayer and thinner, but the uprising in the West Bank and Gaza Strip has rejuvenated the veterans around Yasser Arafat who for a generation have helped him run the Palestine Liberation Organization.

The Humdrum Jimmy Swaggart Affair

A Professionally Irreverent View of Pulpit Peccadilloes. By William E. Geist. legiate Athletic Association against schools for recruiting violations.

Obesity: A Low Metabolism or Gluttony?

By Gina Kolata. NEW YORK — Two new studies have provided the strongest evidence yet that many people become obese because their bodies burn calories too slowly than because they eat too much.

But can he appear in post-season bowl games? wondered another respondent, who seemed to represent a large portion of the American population that just doesn't take TV evangelists or their moral predicaments seriously anymore.

BRIEFS

With Afghan Rebel... Department official has... from Afghanistan, the depa...

Bombing in Man... made bomb wounded 15 peo... to mark the second anniversary...

ess in Raid on Ira... Revolutionary Guards, along... crushed an Iraqi con...

Halts Peace Talk... The two consultants, David... and Don DeVine, left Mr...



L UPDATE... Highway Is Ban... said Thursday...

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Bank... Deutsche Bank... people skilled in... You can rely on the... the most efficient... financial requireme... banking - the unique... and investme... consider using the... of one of the w...

In Race for the White House, TV Spots Are Getting Nastier

By Lloyd Grove
WASHINGTON — The 1988 campaign is proving again a time-honored truth: Negative television commercials can be effective. The most recent example, from Tuesday's South Dakota primary, was the late-breaking commercial of Representative Richard A. Gephardt, Democrat of Missouri, attacking a Democratic rival, Governor Michael S. Dukakis of Massachusetts, for, among other things, suggesting that farmers "have to diversify and grow blueberries, flowers and Belgian endives."

While Mr. Dukakis denounced as "inaccurate" Mr. Gephardt's 30-second spot when it began to blitz the airwaves four days before the voting, both campaigns agree that it played a role in Mr. Gephardt's victory in the agricultural state. Mr. Dukakis, who six days before the election was 11 points ahead of Mr. Gephardt according to Mr. Gephardt's tracking polls, did not run a response ad, but stuck to themes of economic recovery and Central American peace. In Boston on Wednesday, reflecting on his loss, Mr. Dukakis vowed he would not be caught flat-footed again. "If I have to do what I have to do," he said, "I will do so."

Dole Dismisses 2 Aides to Streamline Campaign

WASHINGTON — Senator Bob Dole dismissed two top aides in his presidential campaign on Thursday, saying he was "trying to tighten up" for the "Super Tuesday" primary elections. "We're in a different kind of campaign at this time," Mr. Dole said. Mr. Brock said other changes were forthcoming, adding that some Dole personnel at the national headquarters would be asked to go into the field. During his appearance before the Jacksonville Chamber of Commerce, Mr. Dole said he considered the Republican campaign to be a two-man battle between himself and Vice President George Bush. "I've got a feeling we may be headed all the way to New Orleans," said Mr. Dole, referring to the Republican National Convention in August. Aiming his remarks at conservative Republicans in a city that has three huge naval bases, Mr. Dole praised President Ronald Reagan's leadership and pitched his remarks toward strong support of the Strategic Defense Initiative, the planned system of space-based missile defenses. But he also urged a resolution of the federal budget deficit. "The biggest single threat in America," Mr. Dole said, "in my view, is the deficit." He added, "You have a right to insist we deal with the deficit." Mr. Dole said the country needed to control wasteful Pentagon spending with an inspector general "meaner than a junkyard dog," but he said he would not compromise on defense. "If I'm going to make a mistake on defense, I want to be sure I've spent enough," said the senator, before flying to Texas. Florida and Texas are the two largest of the 20 states that have contests on March 8, known as Super Tuesday.



Vice President George Bush in Vermont, insisting that Pat Robertson apologize for suggesting the Bush campaign leaked information about Mr. Robertson's fellow evangelist, Jimmy Swaggart.

Earlier, at an Orlando campaign stop, Mr. Dole said that Mr. Bush had brought a disinformation campaign to Florida. Mr. Dole complained that television ads now running in Miami that were also used by the Bush campaign in New Hampshire and Vermont distort Mr. Dole's views. He said the ads say that "Dole can't wait to raise your taxes, then there's something about import fees and something about the INF Treaty — all of which is totally inaccurate." The U.S.-Soviet treaty on intermediate-range nuclear forces was signed in Washington in December. Separately, in Louisville, Kentucky, Pat Robertson defended himself Thursday against critical comments by Mr. Reagan. Mr. Reagan, during a news conference Wednesday night, had questioned Mr. Robertson's contention that in 1985 he had known the whereabouts of hostages in the Middle East "where they could have been rescued." Mr. Robertson asserted that his Christian Broadcasting Network did give information about American hostages to the administration but the information apparently went nowhere. Reacting to Mr. Reagan's public skepticism, Mr. Robertson said, "I wasn't meaning to start some major confrontation with a person I admire tremendously, but obviously the State Department must have dismissed what we had to say, or else they didn't refer it up the line to the president." A State Department spokeswoman, Phyllis Oakley, said she would look into the matter.

Falwell vs. Flynt: Court Reinforced Crucial Role of Malice in Libel Cases

By Alex S. Jones
NEW YORK — The unanimous Supreme Court decision in the Hustler magazine case was an extremely valuable two-tier victory for journalists and First Amendment advocates. In reversing a lower court's award of \$200,000 to the Reverend Jerry Falwell for "emotional distress" caused him by a parody in Hustler, the court effectively shut off an effort to make it easier for public figures to muzzle criticism and satire. "It is an essential view because the lower court had found a way to end-run and potentially abort all the protections that the Supreme Court previously had accorded to the media in libel cases," said Henry R. Kaufman, general counsel for the Libel Defense Resource Center in New York. But, just as important, Wednesday's decision powerfully reinforced the so-called Sullivan rule, established by the Supreme Court in 1964, which has been the principal legal bulwark for news organizations in libel actions. And, according to many journalists and First Amendment advocates, the decision marked the continuation of a trend since the mid-1980s in which the Supreme Court has tended to preserve or expand First Amendment protections after a decade in which the court regularly ruled the other way.

The Sullivan rule is named for L.B. Sullivan, a city commissioner in Montgomery, Alabama, whose libel lawsuit against The New York Times and a group of black clergymen was rejected by the court. Under the rule, even if what is published turns out to be false, it is not the basis for a libel claim by a public official or a public figure unless there is actual malice, meaning a knowledge of falsity or a reckless disregard for probable falsity. In recent years, some members of the court had questioned whether the Sullivan standard afforded sufficient protection to officials and public figures, creating concern among many journalists that the court might reconsider the rule. But in its decision Wednesday, the court cited the Sullivan rule repeatedly, suggesting that the justices still found it satisfactory as the basis for setting the limits of actionable libel. And the decision was not only unanimous but also written by Chief Justice William H. Rehnquist, who has generally been unsympathetic to arguments made by First Amendment advocates. "That the opinion relies to such a significant degree on Sullivan makes it unlikely that tomorrow or next year the court will reconsider Sullivan," said Floyd Abrams, a lawyer who specializes in First Amendment issues. The decision also more strongly aligns the entire court with recognition that the constitution requires First Amendment protection of satirists, cartoonists and others whose work by its nature deals with something other than literal fact.

Mr. Falwell argued that what Hustler had published was so outrageous that there should be a mechanism for protecting public figures from such pornographic assault. "I've simply tried to protect myself and the memory of my mother" and to end "the kind of sleaze merchandising that Larry Flynt typifies," Mr. Falwell said. Though the material was clearly not intended to be taken as truth, Mr. Falwell argued, he should be able to punish Mr. Flynt, Hustler's publisher, because it was outrageously false and insulting and had been intended to cause emotional damage. But the court ruled that outrageousness was so subjective a standard and so prone to jury misuse that it simply could not withstand First Amendment challenges. Rather than "emotional distress," the court said, public figures must prove libel to collect damages, and libel presumes that false material is knowingly presented as factual truth. First Amendment lawyers say Supreme Court rulings since the mid-1980s do not mark a significant expansion of what is considered protected by the First Amendment. Rather, they suggest the court feels that the proper balance has been struck between First Amendment freedoms and abuses of those freedoms. And in reaffirming the Sullivan rule, the decision Wednesday significantly reinforces the fulcrum on which that balance rests. But Mr. Falwell was awarded \$200,000 in compensation for emotional distress. The ruling was later upheld by a federal appeals court and was argued before the Supreme Court in December. Mr. Falwell argued that what Hustler had published was so outrageous that there should be a mechanism for protecting public figures from such pornographic assault. "I've simply tried to protect myself and the memory of my mother" and to end "the kind of sleaze merchandising that Larry Flynt typifies," Mr. Falwell said. Though the material was clearly not intended to be taken as truth, Mr. Falwell argued, he should be able to punish Mr. Flynt, Hustler's publisher, because it was outrageously false and insulting and had been intended to cause emotional damage. But the court ruled that outrageousness was so subjective a standard and so prone to jury misuse that it simply could not withstand First Amendment challenges. Rather than "emotional distress," the court said, public figures must prove libel to collect damages, and libel presumes that false material is knowingly presented as factual truth. First Amendment lawyers say Supreme Court rulings since the mid-1980s do not mark a significant expansion of what is considered protected by the First Amendment. Rather, they suggest the court feels that the proper balance has been struck between First Amendment freedoms and abuses of those freedoms. And in reaffirming the Sullivan rule, the decision Wednesday significantly reinforces the fulcrum on which that balance rests.

Filibustering: An Old Tactic Ties Up U.S. Senate

By Irvin Molotsky
WASHINGTON — Once again, as it has done periodically over the last seven decades, the Senate has pinned itself to the floor with its own unusual wrestling move: the filibuster. A bill to deal with the parliamentary device used early on by minority Southern Democrats, is now being attempted by a band of minority Republicans who are sworn to block approval of a bill limiting the amount of money that may be spent in congressional elections. The 100 members of the Democratic-controlled Senate have been deadlocked since Tuesday by the nonstop debate. "The Senate Democratic leader, Robert C. Byrd of West Virginia, warned the Republicans that this would be a gloves-off fight, with the Democrats using every parliamentary device at their command to try to invoke cloture, which would cut off debate, although he conceded that he did not have the 60 votes needed to do that." Most of the filibusters these days are "gentlemanly filibusters," Mr. Byrd said, explaining that they generally start at 9 A.M. and end at 5 P.M. By ordering round-the-clock debate this time, Mr. Byrd was trying to wear down those who are conducting the filibuster. Historically, the filibuster grew out of the practice of virtually un-

limited debate that members of Congress designed to prevent majorities from silencing minority voices. "Both the Senate and the House of Representatives had unlimited debate when Congress started, but the House got so large by the 1850s that it imposed limits," said Donald A. Ritchie, associate historian of the Senate. Until 1917, there was no way to cut off debate in the Senate as long as even a solitary member wanted to block a bill by talking, Mr. Ritchie said. Then a group of anti-war senators talked to death a bill sought by President Woodrow Wilson to allow the arming of American merchant ships. Mr. Wilson assailed this "little group of willful men," and the Senate finally approved a rule change that permitted debate to be cut off if two-thirds of those present voted for it. From the 1920s through the 1960s, the filibuster was used largely by Southern senators to block passage of civil rights legislation, Mr. Ritchie said. In 1975, the rule was changed to allow cloture on the vote of 60 percent of the Senate membership. In 1952, a team of liberals tried to talk to death a bill on oil and gas taken from tideland areas. To their chagrin, they didn't know how to conduct a filibuster, so they turned to a Southern conservative for lessons. The Southerner was Senator

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U.S. AIDS Panel Chief Seeks \$2 Billion

By Philip M. Boffey
WASHINGTON — The chairman of President Ronald Reagan's AIDS commission has called for a \$2 billion-a-year effort to expand treatment programs for drug abuse and improve health care services to combat the growing epidemic. "He urged hiring 32,000 drug treatment specialists and creating 3,300 drug centers." In issuing his first policy recommendations, the chairman, Admiral James D. Watkins, said Wednesday that the AIDS crisis called for "major changes" throughout the health care system and urged that the nation not get sidetracked on secondary issues, such as whether condoms or clean drug needles should be distributed to slow the epidemic. The report is based on testimony of more than 350 witnesses distilled by Admiral Watkins and his 30-member staff. "We waste a lot of rhetoric and excessive time on a couple of little issues while the forest behind us is burning," Admiral Watkins, a former chief of naval operations who has retired from the Navy, said. "We believe that some major changes in course are necessary," he said. Admiral Watkins' ambitious recommendations on developing new treatments for AIDS, providing health services to victims and stopping the spread of the AIDS virus among drug abusers were released even before the commission had completed its task in an effort to influence legislation in Congress and in state legislatures as well as White House policy on the AIDS epidemic. The recommendations will be debated and voted upon by the full 13-member AIDS commission next week. But Admiral Watkins said he expected no major dissent. The recommendations were considered surprisingly bold for a commission that critics had once characterized as a shield to protect the Reagan administration from charges that it was insufficiently concerned with acquired immune deficiency syndrome. "There has not been a national strategy" to combat AIDS, Admiral Watkins acknowledged. "The national policy is now being built. Yes, it is late coming." But the prospects for financing his proposals in the last year of the Reagan administration appear dim. Admiral Watkins estimated that his proposals would require roughly \$2 billion a year in new funds, half supplied by the federal government and half by state and local governments. Some of this money might be provided by Mr. Reagan's proposed budget for fiscal year 1989, which calls for a 38 percent increase in funds for AIDS, to nearly \$2 billion. The proposed budget also calls for \$328 million to treat drug addicts, and increase of \$66 million over the current level. ■ Dutch Progress on AZT A Dutch study of homosexual men infected with the AIDS virus has provided the first

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through its subsidiary

TNT Express (Germany) GmbH

has completed the employment of three BAe 146 ("Quiet Trader") aircrafts for its European Overnite Air Express Service.

WestLB Düsseldorf has assisted TNT in structuring the transaction and financed.

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Contras Need Some Aid

Many House Democrats are so disgusted with Reagan administration policy toward Nicaragua that they would stop all aid to the contras.

Mr. Wright's aid package contains \$14.8 million in food, clothing and medical supplies for the contras; \$1.2 million for the Miskito Indians, and about \$9 million for a special fund to help the children of the war.

Why Was Meese Asked?

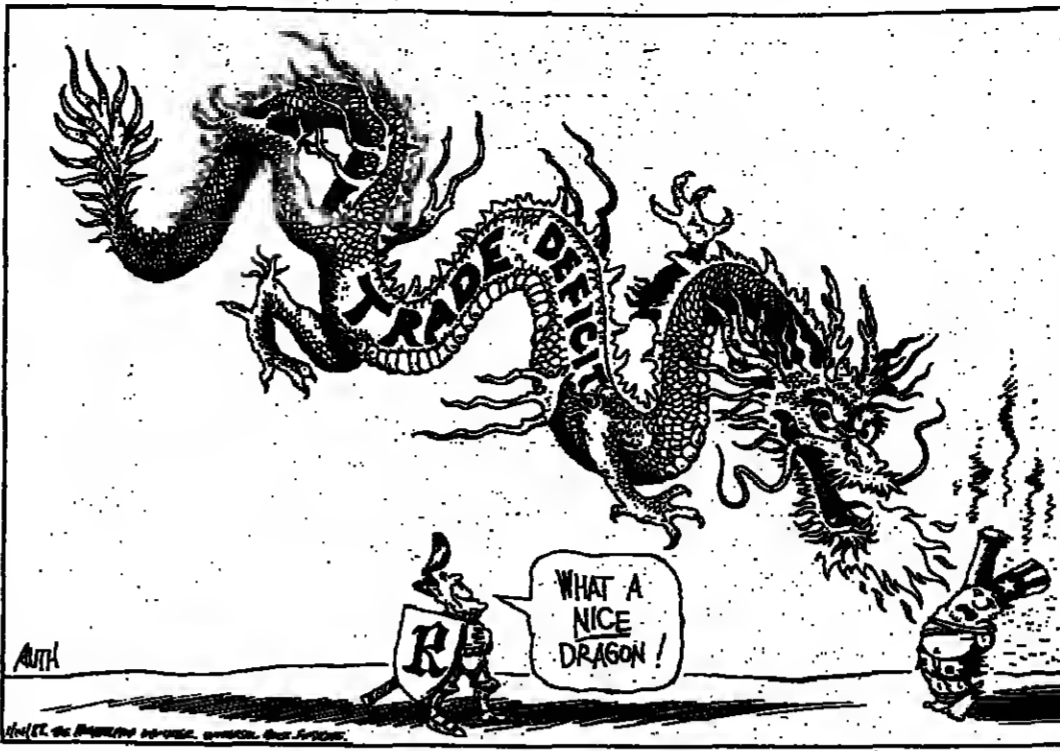
The question in the latest episode in the Edwin Meese saga — the Iraqi pipeline affair — is: Why had E. Rabi Wallach, the attorney general's college classmate, longtime friend and sometime attorney, turned to him in this improbable case in the first place?

domestic corporations and their agents. If the money had been misappropriated at the Israeli end — and there is no evidence that any money was paid — it would have been a matter for the Israeli courts.

Politics of Trade Have Come Home to Roost

By Robert Strauss

WASHINGTON — It is no surprise that trade issues are beginning to affect U.S. presidential politics. Trade has threatened to do so in the past, but never made it.



Is the trade bill just right? No, it is about what you would expect from a process in which the executive and the legislative branches have so far failed to come together for the tough bargaining that would result in sensible compromises.

It does expect that a tougher standard be maintained in dealings with our trading partners. This is not unreasonable. In large part, this is what the current trade bill is all about — providing a legislative mandate and the tools needed to get the job of trade negotiations done.

There should be no embarrassment on the part of the president or Congress in taking responsibility, but stronger stand on trade issues. To do so is not protectionist, but in fact to do so is evading responsibility.

The writer, a former national chairman of the Democratic Party, served as special representative for trade negotiations during the Carter administration. He contributed this view to The Washington Post.

Governors Critique the Candidates

By David S. Broder

WASHINGTON — After seven weeks on the road with the presidential candidates, a reality fix was badly needed. Fortunately, the governors were in town to provide it.

Both are innovative, activist and moderate. Both have an unusual ability to attract support across party lines. Neither has endorsed a candidate for president and neither is strongly attracted by what he has seen.

He is convinced that a Democratic presidential candidate, could elicit similar support from Republican officials if he offered a similarly tough-minded and specific blueprint for making the United States more competitive.

Overconsumption Eats Into America's Good Name

By John D. Paulus

NEW YORK — Recently there has been much loose talk about U.S. borrowing abroad reflecting the United States' attractiveness as an investment for foreigners.

Second, U.S. citizens will suffer an enormous loss of wealth. The decline in the dollar that accompanies the effective downgrading of America means that prices of imported goods, which now account for a little more than 10 percent of domestic spending, will have to rise.

The world will survive without the United States serving as the linchpin of the global financial system, but it will be a less hospitable place for America.

in the dollar will add about \$50 billion to the U.S. import bill, not just for a year but for every year to come.

Genetics and the Law

Item: The National Academy of Sciences supports a \$3 billion project to work out the full chemical data base of human genes.

each cell, containing the genetic instructions, is sucked out with a miniature glass straw and injected into an ordinary fertilized egg whose nucleus has been removed.

How a Swaggart Can Sway the South

By Ray Jenkins

BALTIMORE — As the weary postal clerks of Baton Rouge, Louisiana, can attest, the Jimmy Swaggart ministry gets a lot more letters each day than the next biggest mail customer in town: the state government.

error of Alabama, George C. Wallace, in the 60s and '70s. The message, in both instances, is an appeal to the Southern inferiority complex.

If this travail were not enough, he was obliged to endure the ridicule of his teachers, who tended to be middle-class Baptists and Methodists, for his Pentecostal culture.

100, 75 AND 50 YEARS AGO

1888: Fair Forewarning LONDON — A new formula is suggested for invitations to London dinner parties. It is proposed to add after the invitation itself the following: "Lady Blank proposes sending in Mr. and Mrs. Smith and Mrs. Brown and Sir John Robinson. Should any of the parties not be upon speaking terms, will they kindly let Lady Blank know before the date of the dinner?"

1913: Wandering Turks PORT SAID — It is rumored that the wandering Turkish cruiser Hamidieh will arrive at Port Said to-night [Feb. 25]. More than five weeks have now elapsed since the irresponsible Turkish cruiser Hamidieh "escaped from the Dardanelles under cover of fog, and managed to evade the Great fleet, made for Port Said. It appears to be established that the Hamidieh escape was not in accordance with orders from the Turkish Government, but was the consequence of a mutiny of the crew.

1938: No Sweeter Lips SAN FRANCISCO — A nation-wide manhunt for debonair thirty-seven-year-old Jesse Mowery, whose "narcotic kiss" caused two women here, was launched today [Feb. 24] after let police how Mowery was "a 'hyponic' condition with 'trembling knees and a feeling of helplessness.' The women charged with bigamy and incest connection with another woman, sense, doped them by transmitting narcotic from his lips to theirs and they had become virtually slaves." This kiss was allegedly powered by Vietnam North Mowery, thirty-two, told Flits Street stations inspectors.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1962 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

1988: Fair Forewarning LONDON — A new formula is suggested for invitations to London dinner parties. It is proposed to add after the invitation itself the following: "Lady Blank proposes sending in Mr. and Mrs. Smith and Mrs. Brown and Sir John Robinson. Should any of the parties not be upon speaking terms, will they kindly let Lady Blank know before the date of the dinner?"

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OPINION

Governors Critique the Candidates

WASHINGTON — After several weeks of the road with the badly needed...

Soviet Economic Realities Offer Washington a Choice

By William Safire

WASHINGTON — The United States has just been told by a well-placed informant inside the Kremlin...

U.S. allies in Europe are rushing to lend Moscow money, while accommodations in the United States want to offer the Soviets most-favored-nation status.

spending now amounts to 6 percent of America's gross national product. In a little-noticed passage during a long speech last week to the Communist Party-Central Committee...



LETTERS TO THE EDITOR

'The Spreading Fire' Would Be Even Worse Elsewhere

Regarding "Middle East: From Bottom to Top, a Spreading Fire" (Opinion, Feb. 17) by Jim Hoagland:

Israel's response to the rioting Palestinians "closely resembles what any Arab state would do," and Israelis are becoming "Lebanitized," writes Mr. Hoagland.

U.S. allies in Europe are rushing to lend Moscow money and to subsidize pipelines, while accommodations in the United States want to offer the Soviet Union most-favored-nation status on trade, commerce and state department detentions.

Here is a genuine issue to toss at the candidates campaigning for the U.S. presidency. In light of what the Soviet leader admits is "a very serious financial problem," should U.S. policy seek to finance the adversary?

Yasser Arafat wants to send food to the "besieged" Gaza. But the Arabs have maintained Gaza in a state of undevelopment for 40 years and protested vehemently each time Israel tried to improve the area's status.

Asian-Americans Wake Up To Potential Political Clout

By William Wong

LOS ANGELES — Rolling Stone's usually cool and hip reputation underwent a sobering and publicly embarrassing transformation recently, and in the process the magazine learned about the power of the emerging Asian-American political community.

The Feb. 11 issue featured an article titled "Scout Brothers," about the recent South Korean presidential elections. The article said, among other things, that Koreans all looked alike.

Whose Doctrine Fades?

Regarding "The Brezhnev Foreign Policy Is Fading, Too" (Opinion, Feb. 20) by Robert A. Manning:

By speculating that a possible Soviet pullout from Afghanistan might mean that Mikhail Gorbachev is revoking the Brezhnev Doctrine, Mr. Manning, along with other Western interpreters of Mr. Gorbachev's remarks, forgets that the Soviet leader has shown no intention of retreating from territories seized by the father of the Brezhnev Doctrine, Stalin.

Uncomforting Numbers

In the middle of what I take to be an appeal for some version of laissez-faire economic policy ("Better to Wait Than to Flee," Feb. 18), Charles R. Morris sends me a reeling. He writes that the crisis of U.S. external debt does not exist: The United States enjoyed "a small net inflow... of \$20.8 billion" in 1986.

The time has come to look upon Israel as an ordinary, if tiny, nation established as a refuge for a once-homeless people, and not as a "symbol of human decency."

EUROPEAN TOPICS

Czech Experts Assail Danube Dam Project

A plan to build a power plant on the Danube River south of Bratislava has come under unusual criticism in a Czechoslovak weekly. Hungarian and Austrian environmentalists have often objected to the project, but Czechoslovakia has rejected all criticism.

Amsterdam Plans Pressure on Addicts

The Amsterdam city council is considering putting pressure on drug addicts by forcing them to take part in rehabilitation programs or face prison terms.

1938: No Sweeter Lip

WASHINGTON — A new study by the U.S. Department of Justice shows that the number of drug addicts in the United States has increased since 1938.



MISSILES GO HOME — East German kids gave Soviet soldiers a festive sendoff on Thursday in Bischofswerda near Dresden as the soldiers, with SS-12 missiles in tow, boarded a train bound for the Soviet Union.

About 48,000 hectares of forests were destroyed last year by over 8,300 fires, according to government statistics.

Around Europe

Spain is in danger of becoming an extension of the African deserts, according to Spanish environmental groups. About 25 percent of the country — mostly in the southeast — is threatened by irreversible desertification.

EC Condemns Crackdown by Pretoria

By Barry James International Herald Tribune

PARIS — The European Community condemned South Africa on Thursday for effectively banning the political activity of anti-apartheid organizations and called on the government in Pretoria to lift the restrictions immediately.

The South African law and order minister, Adrian Vlok, announced the crackdown Wednesday. It affects 17 anti-apartheid organizations and the country's largest black trade union.

ANC: Renewed Threat

(Continued from Page 1) among liberal whites within South Africa. According to government statistics, the number of ANC attacks in South Africa and cross-border infiltrations from neighboring states has declined sharply in the past year.

Colombia May Have to Strike a Deal With Drug Traffickers, Official Says

By Elaine Sciolino New York Times Service

WASHINGTON — Calling his country's war against drug traffickers totally useless, Attorney General Alfredo Gutiérrez Marquez of Colombia has declared that Bogotá might have to consider negotiating with drug barons and legalizing the cocaine trade.

Amsterdam Plans Pressure on Addicts

The Amsterdam city council is considering putting pressure on drug addicts by forcing them to take part in rehabilitation programs or face prison terms. The proposal aims at the chronic problem of about 400 addicts who regularly commit petty crimes that are normally not serious enough for prison sentences.

Roh Takes Oath in Seoul in a Peaceful Transition

By Clyde Haberman

New York Times Service
SEOUL — Roh Tae Woo, who transformed himself from co-conspirator in a military coup to avowed champion of democracy, assumed the presidency Thursday in the first peaceful transfer of power in South Korea in four decades as an independent nation.

The transition was heralded by many South Koreans as a historic crossroads, but there were renewed street protests as well. Mr. Roh began his five-year term pledging to preside over "a great era for ordinary people through democratic reforms and national reconciliation."

He tempered his call for further democratic progress with a warning that his tolerance for violent dissent would be limited. "The day when freedoms and human rights could be slighted in the name of economic growth and national security has ended," he said in a speech at an inauguration ceremony held on a plaza in front of the National Assembly building.

He defended the decision to send Lieutenant Colonel William R. Higgins to Lebanon as part of a UN peacekeeping force, saying that no one in his administration was ever apprised of that "he said.

more bluntly: "I do not want to be a president who pushes his fellow countrymen around. But I will not be one who is pushed around by mobs either."

Behind him on the inaugural stage sat the departing president, Chun Doo Hwan, a fellow former general who, with Mr. Roh at his side, led a military takeover of the government in 1980. Now, Mr. Chun presents himself as a democratic trailblazer by virtue of hav-



The South Korean president, Roh Tae Woo, left, and Chun Doo Hwan, his predecessor, waving to the crowd during the inauguration in Seoul. More than 25,000 people attended the ceremony.

Others Incite Palestinians, Reagan Says

By Susan F. Rasky

New York Times Service
WASHINGTON — President Ronald Reagan says the United States has had "intimations" that outside agitators were partly responsible for inciting the violent clashes between Palestinians and Israeli military forces in the occupied West Bank and the Gaza Strip.

Responding to questioning about the resignation this week of James H. Webb Jr., the secretary of the navy, who complained about what he said was a retreat from the 600-ship goal, Mr. Reagan criticized congressional cuts in his military budget.

From the very beginning, since I've been here, the Congress has cut my request for defense every time," he said. "It has been harmful."

Mr. Reagan declined to say what his decision would be on whether to certify that Panama was cracking down on drug traffic. The decision, affecting U.S. aid to Colombia, is required by March 1. He said his administration was "still working on that" and collecting facts on Panama's effort.

At his first news conference in four months, Mr. Reagan was asked repeatedly Wednesday night about the Middle East and particularly why he had not publicly condemned some of the harsh measures the Israeli military has used to counter the protests by Palestinians.

When asked if he would halt the prosecution of General Manuel Antonio Noriega, the Panamanian military leader, should the general step down, he declined to comment in view of the indictment of the general by two federal grand juries in Florida. "Nor have we made any advances or suggestion of that kind to the government of Panama," he said.

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"We have spoken to the government there and to the Palestinian leadership," Mr. Reagan said. "There is evidence that these riots are not spontaneous and home-grown."

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Pressed to be more specific, the president said security considerations prevented him from going into detail. "We have had intimations that certain people, outsiders suspected of being terrorists, are going in and stirring up trouble and encouraging violence," he said.

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On Thursday, the chief White House spokesman, Marlin Fitzwater, described the statements by Mr. Reagan and Mr. Shultz as "totally consistent."

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Mr. Fitzwater said that Mr. Reagan meant that the Palestinian riots, which have provoked a brutal Israeli response, are only "partly influenced by outside forces." He said that Mr. Reagan, like Mr. Shultz, believes that the unrest is "a problem inherent in the political situation there."

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In his opening statement, the president also spoke of the need to continue financing the Nicaraguan rebels, saying, "This is not the time to reverse progress."

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The House of Representatives voted narrowly on Feb. 3 against a request by Mr. Reagan for at least \$43 million in aid for the rebels, known as contras. Part of the aid was for weapons and ammunition.

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The Democratic leadership has drafted an alternative package, whose prospects are uncertain. Republicans have also drafted a substitute for the Democratic plan, which is similar to Mr. Reagan's original proposal, but without the military aid.

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On another issue, Mr. Reagan said of the South African government's recent crackdown on opposition groups: "We have tried our best to be persuasive in this very difficult problem and to encourage a better solution. The difference is that we don't have an armed insurrection going, as we have in some other countries."

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On military policy, Mr. Reagan said he remained committed to a 600-ship navy and that a delay in achieving the goal was not an "immediate" threat to national security.

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development appears to give India a significant new military advantage over Pakistan. With a range of 150 miles (243 kilometers), the missile could reach much of Pakistan, including the cities of Lahore and Karachi.

Gandhi Says India Has Own Missile

By Richard M. Weintraub

Washington Post Service
NEW DELHI — Prime Minister Rajiv Gandhi announced Thursday that India had successfully tested its own missile capable of carrying large warheads at least 150 miles. "After a number of necessary test launches, we plan to induct 'Prithvi' into our defense forces," Mr. Gandhi said in a speech in Parliament.

Mr. Gandhi said there "was no foreign collaboration whatsoever in the development of the missile." The development of the weapon raises the question of whether India now has the capability of delivering nuclear weapons by missile, should New Delhi decide to develop its nuclear weapons potential.

Military experts said that the relatively short range of the missile could make its use as a nuclear delivery vehicle dangerous. "You never know which way that stuff is going to blow," one said, referring to the fallout from a nuclear explosion.

PLO: The Uprisings Lift Morale of Arafat's Old Guard

(Continued from Page 1)

The occupied territories may soon be directed toward their governments, accused of doing nothing to aid the protests. A senior Tunisian official remarked: "If the PLO did not exist, the Americans and moderate Arabs would be well advised to invent it."

"Arafat's strategy is still to cut a deal, but it is getting harder and harder for him." Khalil Wazir, better known as Abu Jihad, who runs PLO operations with the occupied territories, said that far from resenting potential rivals, "we are proud to let this young generation be the vanguard."

We thought was the way to fight for Palestine." He said he was impressed by a working paper on escalating the disturbances recently sent from inside the occupied territories. "They are highly conscious that victory inside should not be at the expense of those outside," he said.

FRANCE: Lack of Economic Options for Candidates

(Continued from Page 1)

cialist and center-right governments have pursued for the past five years. Like Mr. Chirac and Mr. Barre, the French Socialists are talking of the need for "continuity." They do not envisage a return to the failed leftist program of expansion at virtually any price.

Neither is Bonn inclined to yield to French pressure to expand its own economy and create more demand for French exports. 17 percent of which now go to the German market.

While agreeing that the government is generally on the right track, and that a promising new entrepreneurial spirit is being unleashed, many private economists still wonder whether the country's fundamental difficulties have yet been mastered.

SHULTZ: Secretary in Israel

(Continued from Page 1)

showed a streak of impatience that may become a theme of his talks. "I think it is essential that if we're going to do something," he said, "that we get on with it and do it at a rapid clip."

Independent analysts are coming to the same conclusion: There is little or no room to maneuver — at least not by France alone. The problem is that without complementary action by its trading partners, France cannot expand faster without pulling in imports and running into balance of payments difficulties.

After hovering between 10 and 11 percent for the past three years, the French unemployment rate could reach 12 percent by the end of 1989, nearly a point above the European average, according to OECD projections.

Jakes's Speech Fails to Arouse Crowd

Washington Post Service

PRAGUE — As a wet snowfall pelted Prague's old town square on Thursday, the new Communist leader, Milos Jakes, stood before a crowd assembled to celebrate the 40th anniversary of one-party rule and repeated his promise of "the restructuring of all spheres of social life."

Church officials have announced that the Reverend Jim Rantz will substitute for Mr. Swaggart. Officials described him as similar to Mr. Swaggart in his liking for blacked redheads and for prancing on the pulpit, and different in that his hobbies are hunting and fishing.

Some are more optimistic, at least for the medium term. Mr. Horne believes that by the first half of the 1990s France could be rivaling Spain as Europe's most dynamic economy, not least because it has "so much catching up to do" in terms of investment.

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(Continued from Back Page)			
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Portugal: New Hopes, Old Dreams

IN THE NEWS

April 3: Censure Motion Fells Government

Prime Minister Anibal Cavaco Silva's 17-month-old minority government collapses after a censure motion is approved in Parliament by three leftist opposition parties. President Mario Soares returned from an official visit in Brazil to decide whether to form a new government or call an early election.

April 13: Macao Pact Signed in Beijing

China and Portugal sign an agreement that will bring to an end nearly 450 years of Portuguese rule over Macao, the oldest Western settlement in Asia. Under the agreement, signed by Prime Minister Cavaco Silva and his Chinese counterpart, Zhao Ziyang, Beijing will resume sovereignty over Macao on Dec. 20, 1999.

July 19: Social Democrats Win Parliamentary Majority

Following projections, the Social Democratic Party of Prime Minister Cavaco Silva emerges as the winner in Portugal's general election, with a majority of 146 seats in the 250-seat Assembly of the Republic. Elected for a four-year mandate, Mr. Cavaco Silva has pledged to step up his drive to re-vamp Portugal's economy by encouraging private economic growth and meet the challenge of the European Community, which the nation joined in 1986.

Dec. 14: Soares Heads Delegation to Madrid

President Soares heads a large delegation for a weeklong visit to Spain aimed at reinforcing commercial, cultural and political ties between the two countries. Spain is Portugal's second-largest client for exports behind West Germany and is moving to replace Britain as the leading investor in Portugal.

Feb. 3: Carlucci Discusses U.S. Base Pact

Frank C. Carlucci, the U.S. defense secretary, holds talks in Lisbon with Prime Minister Cavaco Silva, a day before Portugal is entitled to demand a review of the 1983 defense agreement renewing a lease on the U.S. air base in the Portuguese-owned Azores Islands. Frustrated by declining U.S. aid, Mr. Cavaco Silva has decided to seek a clear guarantee of increased and sustained payments for continued use of the Lajes air base. From the \$147 million in the 1987 fiscal year, aid to Portugal has declined to \$117 million for the '88 fiscal year.

Feb. 12: Region Benefits From EC Pact

Through an agreement reached by 12 EC leaders, the Common Market will double spending on aid programs for the community's poorer regions and impose new restraints on farm spending. Funding to the EC's poorer regions, which include Portugal, Greece and Ireland, will double by 1993 to nearly 15 billion European currency units (\$18.3 billion).

IN THIS REPORT

A Glass Act 9
Dynamic management and innovation are aiding glassmaking companies.

Plight of the Poor 9
While the country becomes more prosperous, life for the poor is little changed.

New Entrepreneurs 10
A new generation of youths is pursuing opportunities in financial services.



Farming Feats 8
As traditional agriculture gets a boost from the EC, young farmers turn to exotic produce.

A Mood of Optimism Is Tempered by Unrest

Strikes, socialist rumblings and a dip in the polls pose challenges to the government.

By Ken Pottinger

LISBON — A new mood of optimism is developing in Portugal, as the country adapts to the idea that the uncertainty and political instability of the past 13 years are over and that the current government, unlike its predecessors, may be in office long enough to deliver on long-standing promises of prosperity and progress.

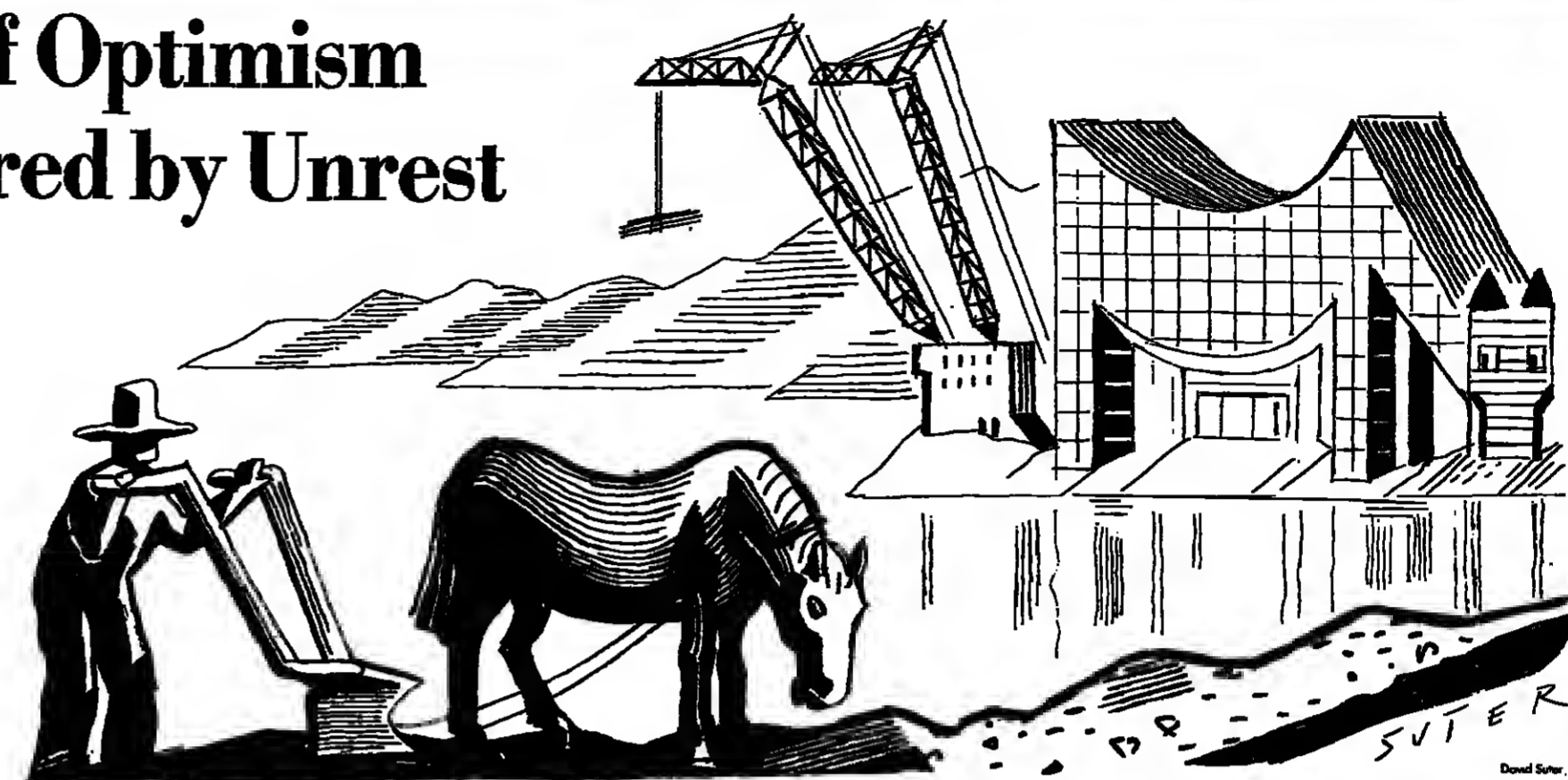
Prime Minister Anibal Cavaco Silva, whose Social Democratic Party won a resounding parliamentary overall majority last July has so far pursued economic, foreign and strategic issues with determination.

The prevailing optimism, however, has been tempered by opposition to his economic belt-tightening. The prime minister's standing took a dip recently when opinion polls, coming just after a tax-increasing and credit-tightening 1988 budget, showed a 17 percent drop in his popularity. Close aides say that, taking a leaf out of British Prime Minister Margaret Thatcher's book, he is unwavering by the polls.

His policies also met with a wave of labor unrest in mid-February, mainly affecting transport around the capital. Both Communist-backed and moderate transport unions came out in support of wages above levels the government had imposed on public utilities as part of its bid to keep the lid on national inflation, which reached 9.4 percent in 1987.

The strikes were also linked to widespread labor concern about government plans to revise labor laws that are among the most inflexible in the European Community.

The government was forced into rethinking its labor law changes but its amendments did not pacify union leaders of either the Com-



munist-backed General Confederation of Portuguese Workers (CGTP) or the generally moderate General Workers Union (UGT).

Faced with promises of tougher union intransigence, Deputy Prime Minister Eurico de Melo, who also holds the defense portfolio, said Tuesday, "We will not hesitate to resort to Thatcher-style policies to deal with labor unrest if necessary." His comment was taken as an indication that the government's patience was wearing thin and that a showdown might be in the offing.

On another front, the government appeared to be heading for problems when the main opposition Socialist Party, led by a former central bank governor, Vitor Constancio, announced Monday that its parliamentary support for a constitutional revision, would have to be carefully negotiated.

The revision, due later in the year, needs a two-thirds vote in the house to become law, and Prime Minister Cavaco Silva has made clear he is counting on the socialists to help him alter the Marxist-flavored charter.

The constitution, which commits Portugal to socialism, has put the brake on announced government plans to denationalize the 53 percent of the economy taken over in the wave of leftist revolutionary fervor that followed the 1974 coup.

The socialists fully agree with the need for a modern EC-style charter but they clearly intend to extract a price for cooperating in the upcoming revision.

Reporting back after the Common Market summit in Brussels two weeks ago, in which EC leaders agreed to pump \$3.6 billion in aid into the Portuguese economy over the next five years, Mr. Cavaco Silva reiterated his commitment to move Portugal from the bottom ranks of the European Community.

The prime minister called the funding package the largest present the country had ever received, one that would have a "great influence" on national development.

Looking beyond domestic concerns, in an unexpected move Wednesday during a three-day official visit to Washington, Mr. Cavaco Silva announced that he would seek "formal talks" on changing an agreement that permitted the U.S. to maintain an air base in the Azores. This amounts to one step below a total renegotiation as provided for in the 1983 accord.

Portuguese radio reported that there were divergences between the United States and Portugal over the outcome of earlier talks in Lisbon between Defense Minister de Melo and Defense Secretary Frank Carlucci. The report said that Portugal was unhappy about

the proposed substitution of lower economic aid with increased military aid. The prime minister said he was seeking formal discussions because "things cannot remain as they were."

Earlier, the foreign minister, João de Deus Pinheiro, had suggested that Lisbon might press for the accord to be turned into a treaty. He said it would have to be totally renegotiated because it was "outdated."

These unexpectedly harsh Portuguese positions reportedly caught the U.S. administration by surprise.

The North Atlantic Treaty Organization, of which Portugal is a member, had been rocked by Madrid's ousting of the American F-16 fighter squadron from the Torrejon base.

PURSuing another of Lisbon's priorities, the government has involved itself anew in the problems of former Portuguese colonies in Africa.

President Mario Soares, on a state visit to Moscow in November, met the Soviet leader, Mikhail S. Gorbachev, for discussions about the protracted conflict in Marxist-ruled Angola.

Lisbon is seen as a likely site for negotiations between the Luanda government and its

Western-backed guerrilla opponents of Unita, the acronym for the National Union for the Total Independence of Angola.

But the government's main focus for the next few years will certainly be on domestic growth and development, and it is this formula that lies behind the optimism with which business now views the medium term.

The new mood is typified by the family of Antonio Soares Franco, a family that has been producing quality wine in Vila Nogueira de Azeite, an aristocratic agriculture center, for more than 150 years.

Azeite and the surrounding fish-rich sun-baked coast is typical of Portuguese rural areas where investors are seeking to place millions of dollars.

The pace of change quickened after last July's election, which Mr. Soares Franco's firm celebrated by completing plans for major new investments.

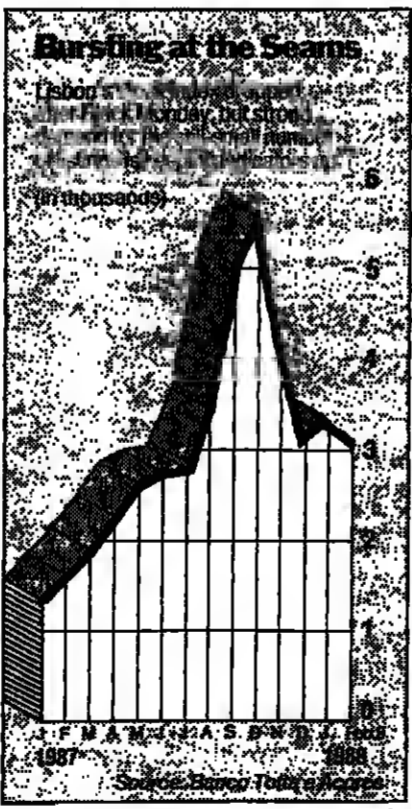
Further south along this same coast an Arab-financed beachfront property project on the Troia peninsula reported a post-election rush by investors to swallow up high-priced building sites in the luxury \$22 million project.

Muwaffaq al-Khedery, developer of Sol-

Booms and the Bolsas

For Stock Markets, Growth Brings Pain

Special to the IHT
LISBON — After a decade of neglect, Portugal's stock markets are suffering growing pains as they struggle to cope with an upsurge in business lured by the country's booming economy and new-found political stability.



Turnover on the Lisbon stock exchange, the Bolsa, rose sixfold last year to 190 billion escudos (\$1.357 billion) as companies were encouraged to go public, share-buying limits on institutions were lifted and investors rushed to cash in on the wave of financial confidence.

The smaller Oporto market put even that impressive increase to shame with a trading volume of 130 billion escudos, fully 14 times the 1986 figure.

Over the same period, the number of quoted companies in the Lisbon market alone jumped from 50 to 140 and trading reached such a fever pitch that even the strongly pro-business prime minister, Anibal Cavaco Silva, felt obliged to act as killjoy.

"Some of the prices bear no relation to the true worth of the companies," he said in October, and the immediate stall in prices turned into a headlong plunge two weeks later, when the world markets crashed on "Black Monday."

But the Portuguese exchanges, closed briefly after the 1974 leftist revolution and then virtually ignored for the next 10 years, still showed a healthy overall trend.

Although Lisbon's Banco Totta e Acores stock index is now hovering around half the pre-crash high of 6,800, it is almost three times the 1,200 level at the start of last year. The Oporto figures tell a similar story.

Increased public interest in the exchanges — the Portuguese are inveterate gamblers — is reflected in the media, with evening newspapers and peak-hour television now giving the latest stock prices and a daily market report.

"The exchanges are still a little unsettled, waiting to see how well the government performs," said Jaime d'Almeida, head of MDM, one of Lisbon's main investment firms. "But there is no doubting the potential of the Portuguese market."

Their limited size, antiquated dealing procedures and inexperience have ensured that the boom has not been without some painful side effects.

Time-consuming physical transactions of shares cannot keep up with turnover and delays grew so long last year that the Lisbon exchange was forced to close for a week to clear the backlog.

In addition, most of Portugal's big companies are still in state hands — another legacy of the revolution — and the minnows that currently comprise most of the quoted market offer nothing like the paper needed to match demand and help stabilize trading.

"The main problem is that there is simply not enough variety of stock to go round," said one of Lisbon's seven brokers, echoing the concerns of Mr. Cavaco Silva's Social Democrats.

Continued on page 8

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EC Agreement Eases Restraints on Farming

By Jill Jolliffe

EVORA—Prime Minister Anibal Cavaco Silva returned from the recent Common Market summit in Brussels with a full hand: an overall increase of available funds totaling \$3.6 billion for the next five years and a special agreement on agriculture.

Portugal's first victory had been at the earlier Copenhagen summit, in December, when the "specificity" of Portuguese agriculture was recognized, resulting in longer adjustment periods before the country's farmers must enter into full competition with their European counterparts. The prime minister drove this advantage home in Brussels, negotiating an agreement whereby the decisions of that meeting would not be applied to Portugal.

The privileged status under the renegotiated agreement means that Portugal will be exempt for the time being from restraints on production and will contribute only 30 percent of the costs of clearing EC farm surpluses. It was a bonus for the Social Democrat government, which the prime minister underlined at a homecoming press conference, describing it as "the event of greatest importance to Portuguese life" since EC accession in 1986.

Nowhere is the impact of this event more pronounced than in Evora. The profound process of change gripping this ancient agricultural city in the Alentejo region reflects Portugal's new-found modernity but also the end of the dream of land reform, which has sustained the district's agrarian radicals for so long.

The landowners still gather under the arches of the main Giraldo Square every Tuesday—previously there were two grand cafes where they did business, selling and buying livestock, cork and grain crops, and hiring and firing workers.

The fact that Evora is losing its character as an agricultural city and will, perhaps, eventually live from tourism or light industry, is not surprising. It was the scene of an agricultural experiment that failed, perhaps more in the political than in the technical sense.

Agriculturally, Portugal is three countries in one. North of the Tagus River, on which Lisbon is situated, the climate is moderate and the soil good. The system of land tenure is totally different from that of the south. Most farmers own their plots, which have become progressively smaller through the ages because of the Portuguese system of inheritance whereby all children inherit their parents' property equally.

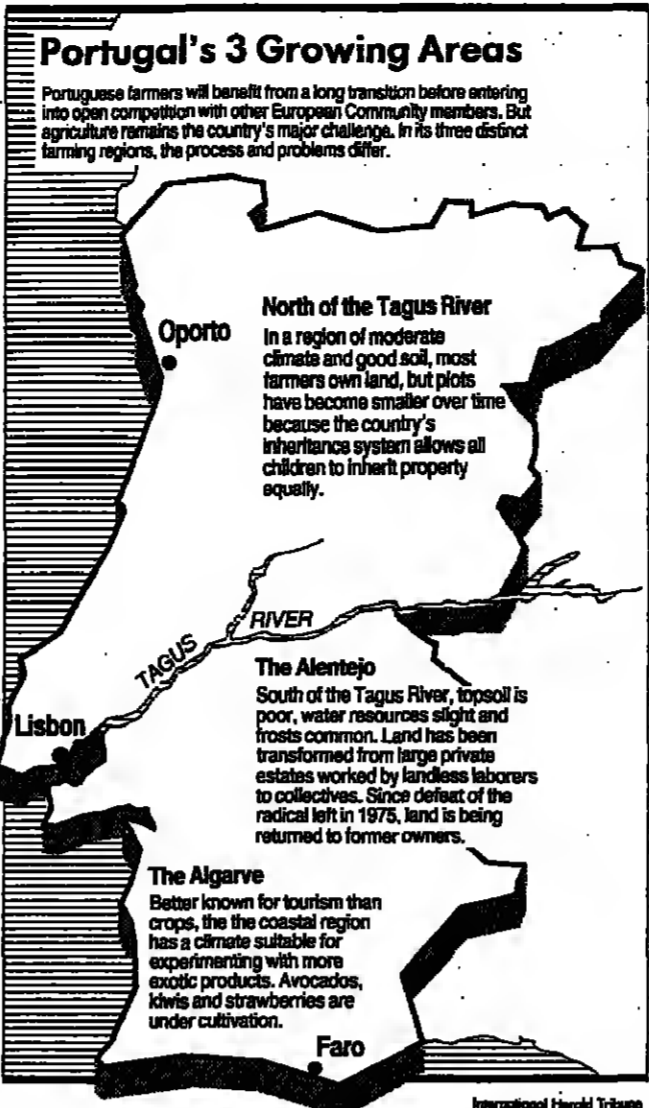
South of the Tagus, the Alentejo has poor top soil and water resources and is subject to destructive frosts in the winter. Here, the land has traditionally been divided into large private estates worked by landless laborers, whose clamor for access to the land was constant until the 1974 revolution, which promised "land to those who work it." Farmers occupied the estates and formed collectives, but when the radical left was defeated in Portugal in 1975, a slow process of returning land to former owners began. The present Social Democrat government has drafted a new law to complete the process: There is no room for collective farms in the EC.

The third agricultural area of Portugal is the Algarve, better known for its tourism than its crops. Its warm coastal climate makes it a suitable crucible for experiment in this period of post-agrarian reform and Common Market challenge. Tropical fruits are already grown on the Portuguese island of Madeira, but the Algarve is equally suited, and such crops are gaining currency. Enterprising young farmers are planting avocados and kiwi fruit, and have expanded areas in which strawberries are being grown.

When Portugal entered the EC in 1986, its specific agricultural problems were recognized by the EC. The country cannot provide half its own food needs, and produces at a cost that is two or three times above that of the average EC product. Twenty-three percent of Portugal's population work the land, compared with an EC average of 8 percent. It will benefit from an especially long transition period—in some sectors, a two-stage transition of five years each; in others, seven years before entering open competition with other EC members.

A revision of the community's Common Agricultural Policy since then means that priority will be given not to increasing production but to restraining it in areas of EC surpluses (such as dairy products) and to controlling prices. Small dairy producers will have to curtail production, and in some cases will be paid not to produce.

"Agriculture is by far the most difficult and important challenge facing Portugal within the EC," notes João Vale de Almeida, of the EC's information bureau in Lisbon.



One of the most hopeful aspects of this experience is the enthusiasm of young farmers, who have special access to EC funds. According to Mr. de Almeida, "Young people in their 20s who have inherited land are choosing to stay on it instead of going to the cities. In the past, their main problem was obtaining capital to modernize, and plant new crops. Now they are going in for tropical fruits or are trying to modernize vineyards."

When Portugal emerges from its protective transitional cocoon around the turn of the century, these people will be the ones most likely to supply Europe with early spring strawberries and a sample of the excellent wines.

JILL JOLLIFFE is a journalist based in Lisbon.

Prospects for Growth Stir Property Market

By Peter Collis

LISBON—As Portugal settles into a period of economic expansion, the property market is responding with the first real growth in decades. Real estate prices are expected to double or triple in the next few years, but will remain low compared to similar properties in southern Europe.

"In some areas our prices are so far behind other European prices they could double several times over and still remain low," says Frederico Horta e Costa, head of Realti S.A., the representative in Portugal for Sotheby's International Realty.

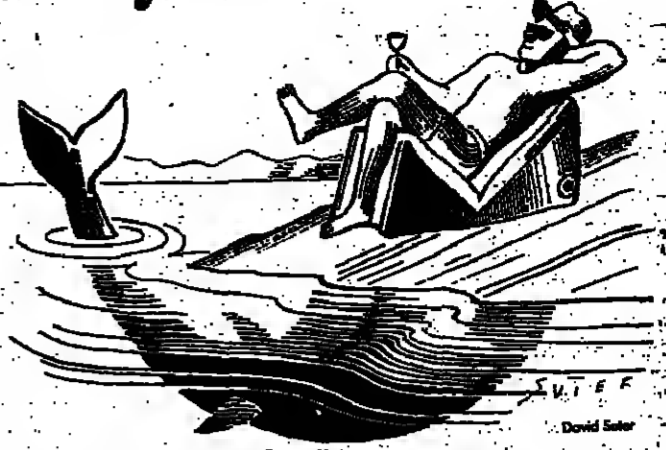
That doesn't include the retirement and vacation properties most sought after by foreigners. Prices on the Algarve, while not expensive compared to equivalent offers in France and Italy, tend to be higher than for comparative properties on the Spanish Mediterranean.

A three-bedroom villa with pool in the Algarve can cost upward from about \$113,000 in a reasonably up-market area near the coast, less if you go a few kilometers inland slightly off the beaten track. The price can increase sharply in the golf course and villa complexes like Vale do Lobo where villas begin at around \$139,000.

But away from the villa markets, the price advantage of Portuguese property starts to show. In Lisbon, top quality commercial office space can be bought for \$1,130 to \$1,475 a square meter, about one-tenth of London or Paris prices. On a luxury level, \$330,695 to \$522,000 will buy a palace or an old mansion within easy commuting distance of Lisbon.

"The market has enormous potential," said Mr. Horta e Costa. "Within the next five years we shall be seeing some of the most interesting property in Europe coming onto the market. People are beginning to see real estate as a profitable investment again, and this is going to stimulate people who have property to sell."

Mr. Horta e Costa, whose firm is one of the newest among the growing number of foreign-linked estate agents setting up in Lisbon, is planning, in fact, to specialize in palaces and mansions, of which there are an extraordinarily high number in Portugal.



"People's lifestyles are changing. They are moving out of the big mansions," he said, "but other people are actually looking for big houses to live in. It seems surprising, but even younger people are looking for mansions. It's a new lifestyle. We recently sold a palace to a young Portuguese man for \$988,600. It can still be done in Portugal, living in a place like that. You only have to consider that the servant is as little as \$174 per month."

But as a real estate market Portugal is still pioneer territory, and agents' portfolios tend to be on the slim side.

"The market has been growing for two years and its going to go on growing," said Eric van Leuven of George Knight Ltd., a Lisbon real estate agency. "The potential is certainly there. The problem is getting it onto the market."

Portugal's inheritance laws are also an obstacle to mobility. Property is commonly inherited by all of the children in a family, not just by the eldest son, and getting a whole family to agree on a sales price can be a formidable problem.

"It can literally take years," said Mr. van Leuven. "You may have to get agreement from 15 or more people, many of whom are probably living abroad. And then, if it is just brothers and sisters you can consider yourself on clover. More often than not it can involve cousins, second cousins and so on, and then it can get really difficult."

Under the circumstances, the rarity of small conversion and development projects in downtown Lisbon is scarcely surprising. Some big ones have appeared, however, with some success.

Buyers quickly snapped up the floor space in the monumental and controversial Amoreiras shopping center, a residential

complex where developers started selling apartments with construction unfinished a couple of years ago.

In pricey Estoril, on the coast west of Lisbon, the Swedish developer Mercator, a subsidiary of J.M. Bygnads och Fastighets AB are starting to turn ground for a luxury residential complex of the sort that realtors see as a profitable avenue for development in Portugal, where building costs at about \$320 per square meter can make luxury properties an extremely attractive investment.

In Mercator's Estoril project called Estoril Garden, well-heeled buyers will be able to enjoy their secluded and discreetly guarded comforts in apartments that start at about \$136,000 for a 75-square-meter (90-square-yard) studio.

A similarly luxurious residential complex near Almancil will soon be adding to the number of golf and villa complexes that constitute the up-market development on the Algarve coast.

Elsewhere on the Algarve, away from the fashionable beaches, \$99,000 will stretch a lot further. But as the Algarve agency Sargent and Sargent points out, there can be pitfalls involved in buying property below the \$100,000 level in the Algarve, principally because nonresident foreigners in Portugal may not acquire land property designated as "rústic" or agricultural with more than 5,000 square meters of land.

Foreign purchasers can apply for special authorization to acquire more than the 5,000 square-meter limit, but the land limitation remains a problem for people seeking properties away from urban centers.

PETER COLLIS is a journalist based in Lisbon.

Stock Markets Suffering From Growing Pains

Continued from page 7

lens such as the need for medium-term investors who will hold on to shares and not look at the daily fluctuations," said Helen de Castro, manager of Unifundo, one of Portugal's five mutual funds.

But Mr. Cavaco Silva's administration, with four years of power to look forward to, is confident that it is on the right track as Portugal begins to reap the benefits of the European Community. A massive denationalization

program is under way, a long and complicated process that should eventually lead to market quotations for far bigger companies and a more mature market as a result.

The economy is among the most buoyant of Western Europe, with annual growth of 5 percent in 1987 and an only slightly lower figure forecast for this year.

Inflation, which reached almost 30 percent in 1984, is now under control and down to single figures for the first time in 17 years. Such statistics do wonders for

domestic and foreign business confidence.

Institutional investment is mushrooming. Ten pension funds have been established since government authorization was granted late last year.

Lloyds, one of the longest-established foreign banks here, recently opened a \$40 million fund for foreign investors, who, in general, have shown most interest in the high-performing communications, wood and financial services sectors.

"The shares of firms like Marconi and the CISF investment company have been among the most sought-after," said Mr. d'Almeida, who estimated that foreign investors, mainly British, held about 20 percent of the shares traded.

The two exchanges, which have built up a healthy rivalry over the past two years, are also rushing to fully computerize their clearing systems, eliminating cumbersome physical transactions and eventu-

ally allowing continuous trading in blue-chip stock at least.

"The modernization is vital if the Portuguese economy is to start catching up with the rest of Europe," Mr. d'Almeida said. "It is this low economic base in comparison with other countries that attracts many investors, especially from abroad."

"They realize that Portugal could be one of the most lucrative markets over the next few years simply because it still has so much room to expand."

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Industrial Centers Struggle to Overcome Past of Protectionism

By Peter Wise

MARINHA GRANDE, Portugal — Raul Ferreira is one of hundreds of struggling workers who have labored for more than a year without pay to help the bottle factories in this ancient glassmaking town survive competition from ultramodern foreign producers.

José Santos works less than a mile away as a director of a mold-making company that started 12 years ago with less than \$2,000 and has since grown into the largest corporation in the industry worldwide, with annual sales of more than \$20 million.

Both men identify the same reason for their widely differing circumstances: management. "A lack of far-sighted entrepreneurs has left this town decades behind, turning out bottles by hand that foreign companies produce far more cheaply in automated plants," said Mr. Ferreira, a skilled glass engraver and president of the National Glass Workers Union.

Mr. Santos attributes the success of his company, Iberomolde, to dynamic management employing the latest technology to give the export market exactly what it wants. "We have to bring potential clients here to see for themselves because they simply don't believe that companies using state-of-the-art computer-aided production exist in Portugal," he said.

What they may expect to see are the smoking chimneys and slow-moving production lines of Marinha Grande's glass factories, which illustrate the problems threatening the future of many companies as they are exposed to increasing competition from the rest of Europe after half a century of protection.

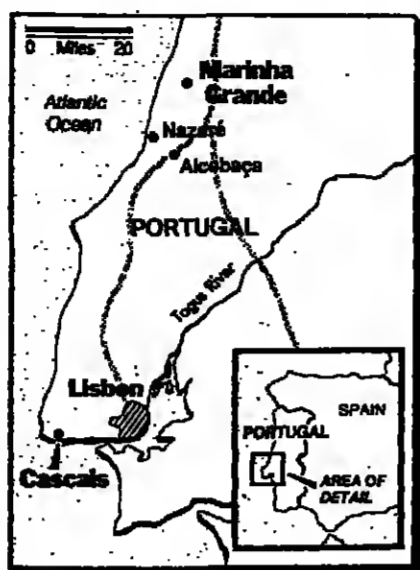
The crisis affecting this central town reached a climax in 1984, when 1,200 workers lost their jobs as their mainly state-owned companies proved unable to compete with cheaper foreign products and sales fell drastically amid a severe domestic recession.

A long-running labor dispute ensued until workers agreed to accept pay arrears of more than a year — still owed to many — and work more flexible hours as part of an accord to relaunch the sector and avert further layoffs.

Encouraged by the workers, more outward-looking managers are today turning away from bottles, which their manual plants cannot hope to make at prices that compete with foreign mass producers, and toward handcrafted decorative glassware. The success of Crisal, a company producing fine crystal in nearby Leiria, has shown that it can be achieved with progressive management.

Marinha Grande, like many of the country's industrial centers, is struggling to overcome a past of protectionism that has left many of Portugal's domestic industries highly vulnerable to the effects of European Community membership in 1986 and the approach of a single European market in 1992.

Before the 1974 revolution, a system known as "industrial conditionalism" meant that only



a limited number of companies were licensed to operate in each sector, with their production quotas fixed by the corporate state. Trade barriers protected them from foreign competition.

"Companies were making more than enough money to keep them happy," said Mr. Santos. "There was no competition, no incentive to innovate, to design better products, to find out what the market wanted, to develop skills or even to export." Breaking away from this immobile approach to business is one of the major challenges now facing Portuguese industry.

Consequently, most of the country's highly successful companies, particularly in the textile and footwear sectors, have gained their prowess selling abroad. Clinching export orders has forced them to research markets, make aggressive sales bids, develop new products, improve quality, adopt modern management principles and meet delivery times in a way that many companies producing for the home market are only just beginning to contemplate.

Iberomolde's business is more than 90 percent overseas and products have to meet the rigorous requirements of multinationals such as IBM, General Motors, Black & Decker, Grundig and Hasbro, the world's largest toy manufacturer.

Henrique Neto and Joaquim Menezes quit as general and production managers of Portugal's largest mold corporation, Anibal H. Abrantes, in 1975 to found Iberomolde as a sales company with no more than "a secretary, a telephone and a telex."

They were able to relish the extent of their success two years ago after buying out the Abrantes company in the latest of a series of acquisitions that has expanded the Iberomolde



Decanters from the Atlantis line at the Crisal shop in Cascais, above, and, below, a glassblower shaping a decanter.

group to 15 separate companies with 750 employees and a share capital in excess of \$10 million.

Working to the standards of top international corporations, the privately owned company has developed into an international pacesetter in the technologically sophisticated business of making molds for plastic products, attracting visits from Japanese universities and American researchers.

It has set up specialized marketing, sales, production and training divisions in an industry traditionally dominated by small all-round companies and invested heavily in a rapid transition from precision craftsmanship to computer-aided design and manufacturing.

What secrets of success can other Portuguese companies learn from Iberomolde as the lowering trade barriers makes the home market almost as competitive as exporting?

"People and outlook," said Mr. Santos. "Portugal has an extremely able work force and adequate technology. We now need to adopt a more forceful, entrepreneurial approach to business and train young people to fill a yawning gap at the middle levels of management and production technology."

PETER WISE is a journalist based in Lisbon.

Amid New Wealth, A Chronic Poverty

Most indicators suggest that the lot of the poor has changed very little since the 1974 revolution.

By Jill Jolliffe

LISBON — As dawn breaks over the Praça da Figueiras in Lisbon, the light reveals small bodies huddled for warmth on the grids that blow hot air up from the subway system. These are the homeless children who live on Lisbon's streets, and the square is their main bedroom.

The weekly newspaper *Tal e Qual* recently traced a day in the lives of the street urchins. Some were runaways, others orphans. They lived from begging, averaging about 300 escudos (\$2.18) a day — enough for one good meal. Restaurants sometimes give them leftovers. They are known for their unruly raids on candy shops. Occasionally, they get small jobs at the waterside market, unloading fish.

Occasionally, the police round them up for a spell in reform school, but the children return. The most distressing recent development in their community is the spread of glue-sniffing. Dirty, often tiny, children weave around the streets and sometimes dart into traffic, their faces blank, the inevitable plastic bag with glue in their hands.

They are a reminder that, while Portugal is slowly becoming more prosperous, and seeing its first generation of yuppies, it is also the poorest country in the European Community. With an average per capita income of \$1,993, it trails Greece, the next poorest, with \$3,284. The figure for the richest country in the EC, West Germany, is \$12,049.

The most recent study on poverty, by a team led by Alfredo Broto da Costa, described 35 percent of Portuguese as living in "absolute" poverty. Most indicators suggest that the lot of the poor has changed very little since the 1974 revolution.

Tens of thousands of people in Lisbon live in shantytowns, *barros de lata*, more characteristic of Mexico City or Manila than of a European capital. There are also "clandestine" barrios, consisting of whole suburbs of concrete houses built by squatters.

The "Cambodian" bairro near Lisbon Airport is another variation. The district consists of prefabricated houses built by Lisbon authorities in the 1960s for people displaced by the building of the Tagus bridge. A quarter of a

century later, they are still there, and the bombed-out appearance of the buildings which inspired the current name, provides the backdrop for a hard-drug culture that flourishes among the second generation.

The "Chinese" bairro, like "Cambodia," has no Asian connection, and no one knows the origin of the name. Officially, it is the Marquis of Abrantes estate, but this noble title mocks the reality. It consists of a thousand or so shanties of plywood and corrugated iron, often with plastic for windowpanes. Each household must fetch water from communal taps, and the traffic of water carriers evokes images of the Third World. Some householders illegally tap power lines; the neighborhood is crisscrossed with wires draped precariously from light poles.

In the "Chinese" bairro, there is no legal electricity, no hot water, no flush toilets and plenty of rats. Most of the shanty dwellers pay the Lisbon city council 50 or 100 escudos (36 or 72 cents) per month for "rental" of the land. It is Lisbon's oldest shantytown, established 50 years ago by northerners seeking work in the capital.

Antonio da Silva, 75, a retired woodturner, has lived in the bairro for 42 years, and his children, grandchildren and two great-grandchildren grew up there. He and his wife have an income of 19,600 escudos (\$143) a month from their pensions, on which they support themselves and one grandchild. "We don't see much of EC benefits around here," he said.

His case demonstrates the vicious circle of poverty. Although he was a skilled tradesman, neither his daughters nor his grandchildren attained the educational skills that might have taken them out of the bairro. Education is nominally free, but many mothers keep their children home because they cannot afford transport fares or books, or because older children must care for younger ones while parents work.

Political instability since 1974 has perpetuated poverty: Short-lived governments have not been able to undertake long-term changes, although each of the 17 housing ministers since 1974 has promised to abolish shantytowns.

The prospects for a clean sweep are perceived as slightly improved today. The center-right Social Democratic is the first majority government in 14 years, elected for a full four-year term, and so has a greater chance of effecting structural reforms. In addition, some EC funds are geared to changes in infrastructure.

Urban areas are plagued by the most dramatically visible form of poverty, but the more chronic problem is in the countryside, especially in the north.

The national infant mortality rate is 17 per 1,000 live births, but in the northern city of Vila Real, it is 26 per 1,000 (by comparison, the national average in Britain is 10 per 1,000, Spain has a rate of 9 per 1,000 and Sweden 7 per 1,000, according to the World Health Organization).

Portugal has a reasonable number of doctors by world standards, with a national average of one for every 400 people, but in the north, there is one doctor for every 1,500 inhabitants.



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Opposition Parties Grope For Role in Changed Era

By Ken Pottinger

LISBON — The electoral surprise of last July 19, when Prime Minister Anibal Cavaco Silva's center-right Social Democratic Party (PSD) government won 146 out of the 250 legislature seats, has left the opposition groping for a role.

Political debate has cooled since the days when a succession of short-lived governments inspired passionate political divisions. Today, the government's numerically overwhelming strength can outvote the splintered four-party opposition with ease.

Opposition deputies are trying to adapt their horizons to four years on the back benches now that the prospect of bouncing from bench to cabinet office and back again, sometimes in a matter of weeks, has been interrupted.

Few observers thought that the PSD could mobilize enough cross-party voting to overcome the built-in brakes of a proportional representation and split-vote system specifically designed to favor multiparty coalitions above one-party majorities.

Now, the four opposition parties — Christian Democrats (CDS), center-left Socialists (PS), Communists (PCP) and the now-significant Democratic Renewal Party (PRD) — no longer raise political temperatures.

The government, dominant in the Assembly where extra rooms had to be assigned to deal with the post-July influx of dozens of new PSD deputies, also has an impressive number of municipal authorities around the country.

According to results of the last local election, the PSD controls 135 of the 305 town halls in the country, which gives the governing

party 47 percent of the vote at grassroots organizational levels.

Their biggest rival is the Communist Party, which saw its stranglehold on the important Alentejo agricultural region badly shaken in the last election but continues to hold important bastions in the area.

Young turks in the Communist Party have been lobbying forcefully for months to push the rigid and aging party leadership into following Moscow's liberalization lead. As a result, local newspapers have for the first time in more than a decade of democracy, been filled with deliberate leaks of secret PCP documents and deliberations, designed to embarrass the so-called "gang of five" — the main members of the party's politburo led by Aivaró Cunhal.

Mr. Cunhal himself, who reportedly views Moscow's *perestroika* with considerable reserve, has made two trips to the Soviet Union in the past four months without apparently returning fully convinced by the Soviet reform program.

The party, which saw its seats cut back to 31 from 38 in the election, is losing militants, cash contributions and support. It remains highly sensitive, and spokesmen decline to comment on the internal strife wracking the PCP. But a recent party press statement referred to *perestroika* as "an option chosen by Moscow, but not necessarily applicable in other European Communist parties."

Mr. Cunhal has been circumspect in his commentaries about the new Soviet leadership and its reform program. He also made it clear last weekend that while he remained in charge, the PCP would continue with its long-established Stalinist line.

A current strike wave ad-



Anibal Cavaco Silva

spreading labor unrest is seen by some analysts here as continuing evidence of the PCP's strength and determination to hinder, at all costs, the government's liberalization and modernization efforts.

Some observers are also questioning the impact of the PSD ma-

majority on the democratic system. José Ribeiro Ferreira, a conservative political analyst, wrote recently: "The PSD's overall majority, rather than beneficial, risks dragging the country into a serious political, economic and moral crisis."

Entrepreneurs Make Inroads In World of Financial Services

LISBON — When he was growing up at a Roman Catholic seminary in Mozambique, Rui Teixeira Santos used to tell his teachers he wanted to be the pope.

"Not a cardinal, not, but the pope," he said in an interview.

His desire for fame now has pushed Mr. Santos, 27, into the limelight as the prototype of Portugal's new business breed.

Four years ago, Mr. Santos was a financial journalist earning 50,000 escudos (\$337) a month and riding a Vespa. Today, he is administrator of one of Portugal's largest portfolio management companies and recently bought the country's biggest department store chain, Briz e Braz.

Mr. Santos declines to discuss numbers when talking about his successes. In response to questions about his capital resources, he responds by noting that, a few months ago, "it was possible to be making 200 to 300 percent returns on the stock market."

His latest planned acquisition is three large central-city department stores, which, if successful,

would make him king of Portugal's department store trade.

Mr. Santos said: "The new entrepreneurs in this country are coming from my generation and are making inroads in the world of financial services. They want to make money quickly and are seizing opportunities provided by Portugal's rapidly developing economy. They are shaking off what I call *miserabilismo*, the long-ingrained national attitude that it is shameful to make money and worse to flaunt it."

Mr. Santos, while deriding the label "yuppie," is clearly becoming a model for those seeking such success.

He believes his generation is the natural heir to the current stock of managers and entrepreneurs, now in their 50s. "We have to overtake the 35- to 40-year-old group because they are incompetent and outdated," he says.

Mr. Santos is typical of his group, a class of well-educated college graduates, many from the elite Catholic University of Lisbon, which, according to a study published here, has rapidly ab-

sorbed the values of Europe's yuppie generation. They are now seeing the chances that have opened following Portugal's entry into the European Community.

Portugal's yuppies first made their appearance in the financial world, where new fortunes have been built in the past 15 months. This stemmed primarily from an unprecedented stock market boom, which saw the Bolsa index soar from 1,200 at the beginning of 1987 to 6,800 in mid-October before falling back after the Wall Street crash.

One personnel manager said head-hunting has become a growth industry.

Government departments most closely concerned with encouraging investment or promoting trade say they are aware that bureaucratic bottlenecks remain a problem for developing businesses. They say that reform of many outdated practices is being speeded by the impending 1992 deadline for full Portuguese integration into the EC.

Ken Pottinger

A Mood of Optimism Is Tempered by Labor Unrest

Continued from page 7

troia, said the election outcome confirmed his conviction that Portugal was now the best EC country in which to invest.

So far the government has been blessed with a large portion of luck. Its notable economic performance has been helped by external factors like a weakening dollar (much of the national debt is in dollars) and falling oil prices (Portugal imports 80 percent of its energy needs).

According to the National Sta-

tistics Institute, unemployment fell from 10 percent in 1986 to 8.5 percent in 1987, registering, next to Britain, one of the best performances in the EC.

Inflation has dropped sharply from highs of 30 percent in 1983 to 9.4 percent at the end of 1987. The 1988 budget forecast is for it to fall even further.

The planned growth rate for 1988 is 3.76 percent, which is one of the highest in the EC and designed to close a development gap with the rest of Europe. The gross domestic product for 1987 rose in volume by 4.5 percent over 1986, the biggest such rise in the 24-nation Organization for Economic Cooperation and Development.

Official figures show that direct foreign investment in the country tripled during 1987, reaching 61.7 billion escudos (\$460 million).

But if economic basics are now generally on a sound track, many fundamental reforms are still needed before full EC integration by the end of 1992.

Agriculture, the stubborn problem sector confronted by every administration since 1974, rigid labor laws, top-heavy bureaucracy

(50 percent of the annual budget goes to meeting salaries and wages in the public service) and a muddled educational system are priorities.

The 48-year-old prime minister, a former economics professor and author of a standard reference work on managing public debt, frequently asserts his commitment to the electoral platform that swept him to power.

But his biggest problem is persuading the country that changes cannot be made overnight and that the rhythm of change has to be adapted to a four-year time scale.

On Feb. 4, parliament passed laws permitting the sale of the government's stake in seven large daily newspapers and enabling the government to offer up to 49 percent of its holdings in public sector firms to the private market.

Full privatization will have to wait until a planned revision of the constitution is carried out later this year because the Marxist-inspired charter expressly forbids reversing the nationalizations.

Meanwhile, officials and bankers are worried about the pro-

looged financial bear market, which has set in since the Wall Street crash last October.

One government aide, who spoke on condition he not be identified, said that the government's privatization efforts would be severely hampered unless the country's stock markets regained buoyancy. But he was against government interference, saying the markets would have to revive by themselves.

In other areas, Mr. Cavaco Silva's government is tackling problems in bold, and controversial, ways.

In a bid to clamp down on tax evasion, widespread among the professionally self-employed, the government announced it would impose a value-added tax on lawyers, doctors and dentists, and would also start taxing the nation's revered and highly paid soccer stars.

Another reform near the top of the government's list concerns the rigid labor laws, which Mr. Cavaco Silva has pledged to relax, both to bring them into line with wider EC practice and to encourage investment.

When Labor Minister José Silva Penada first publicized his proposed reforms, there was a protest from both the Communist-backed CGTP union federation and the more moderate Socialist and Social Democratic UGT groupings.

On the other side, the employers' federations attacked the reforms as not radical enough.

Employers say the existing legislation virtually bans the dismissal of workers, hindering investment in technology and modernization and endangering companies by making it impossible to lay off people when markets contract.

The government's main reform proposal would consider shifts in economic and market conditions or changes in a company's structure as fair grounds for dismissal, a move condemned as too broad by the unions, which believe they open the way for large-scale layoffs.

KEN POTTINGER, a journalist based in Lisbon, reports for the *Daily Telegraph of London*, the *Christian Science Monitor* and the *Canadian Broadcasting Commission*.

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Recent developments in the Portuguese economy

The predominant feature of recent developments in the Portuguese economy has been a strong growth of domestic demand which, however, by end-1987, started to show some signs of deceleration. This growth was accompanied by both a less marked recovery of output and an improvement in the labour market. The unemployment rate stood below 7 percent by end-1987, i.e. the lowest figure attained since 1976.

The inflation rate continued to slow down with the consumer price index growing 9.4 percent, on average, in 1987, the first one-digit inflation rate since 1973. Thus Portugal took advantage of the world disinflationary climate to bring down its inflation rate to figures closer to those prevailing in the European Community. Other forces behind this success were, on the one hand, the social concertation policy which was reflected in the agreements reached for moderate wage increases and, on the other hand, the non-accommodative role played by monetary policy.

On the external accounts front, there has been a large import growth which was offset by the dynamism of exports of goods and chiefly of tourism receipts and of unrequited transfers which afforded a new surplus on the Current Account in 1987, on the order of US\$600 million (nearly 2 percent of GDP).

The good results of the Current Account obtained in recent years have allowed for the maintenance of a policy geared to the external-debt repayment as of the 4th quarter of 1985. In 1986, repayments reached US\$2 billion.

In the course of the last three years, the Portuguese financial system has undergone deep changes. The process started in February 1984 with the opening of the banking system to domestic and foreign private capital and continued with the creation of new types of financial institutions and instruments.

As regards financial intermediaries, stress should be laid on investment and leasing companies, investment and pension funds, regional development companies, risk-capital companies and, within the context of new types of financial assets, Treasury bills, certificates of deposit and participation bonds.

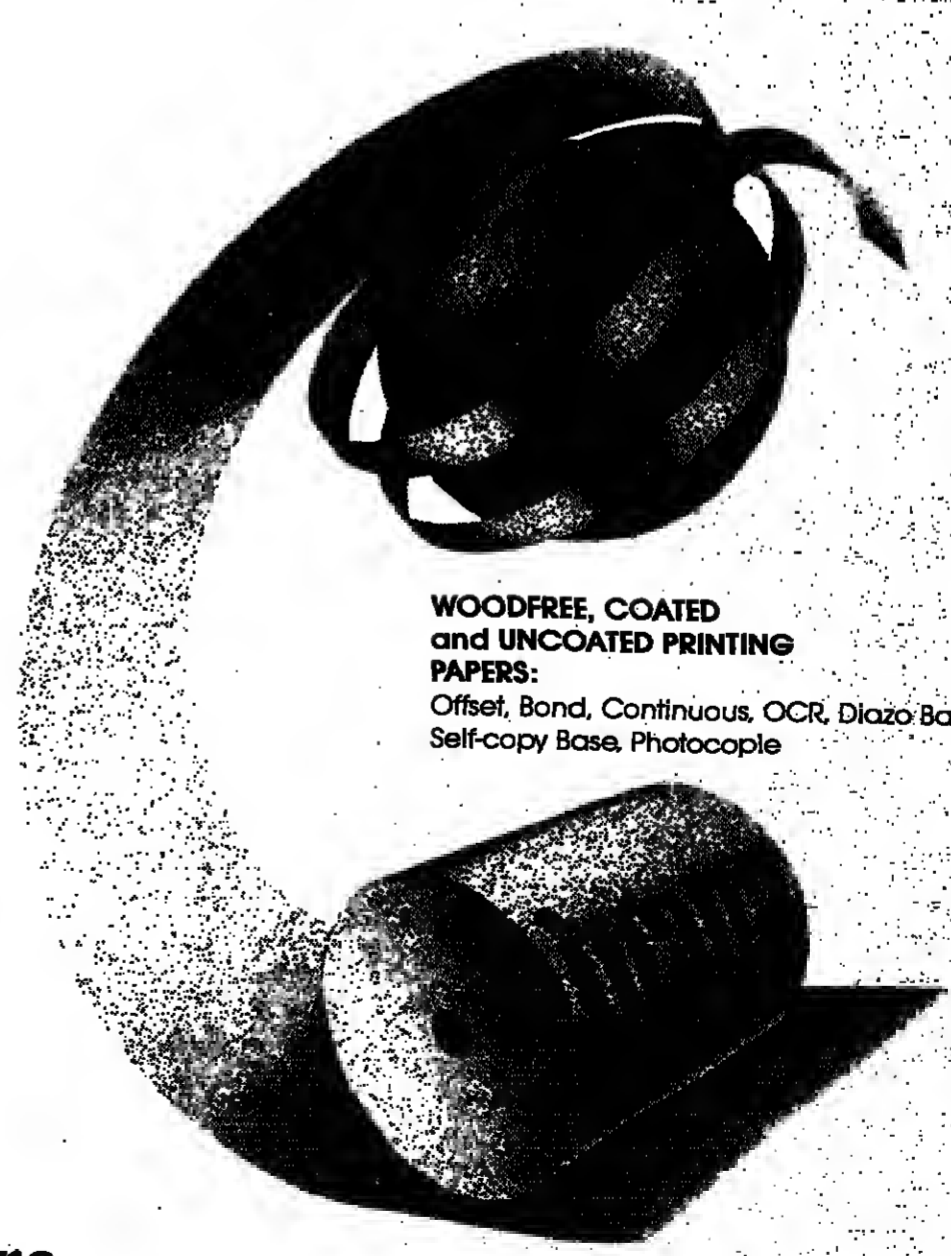
In the meantime, structural modifications were also introduced in the operational rules of the monetary and foreign-exchange markets with a view to endowing them with greater flexibility.

The development and increased flexibility of the financial system has allowed the corporate and public sectors to rely on the issue of securities as a source of financing. The nominal value of corporate securities tripled between 1986 and 1987.

The major economic policy objectives for 1988 are the steady growth of productive investment and the deceleration of private consumption consistent with a moderate increase in domestic demand. The 1988 State Budget provides for policy action to this end. Under a new agreement recently concluded with the Council for Social Agreement, it was decided that wage increases should continue to be moderate. One can thus predict a further reduction in the inflation rate, which is likely to hover around 6 percent in 1988.

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1988

TRAVEL

- Hiking in Japan's Alps
- Korea's Cheju Island
- The Frequent Traveler

International Herald Tribune

TRAVELER'S CHOICE

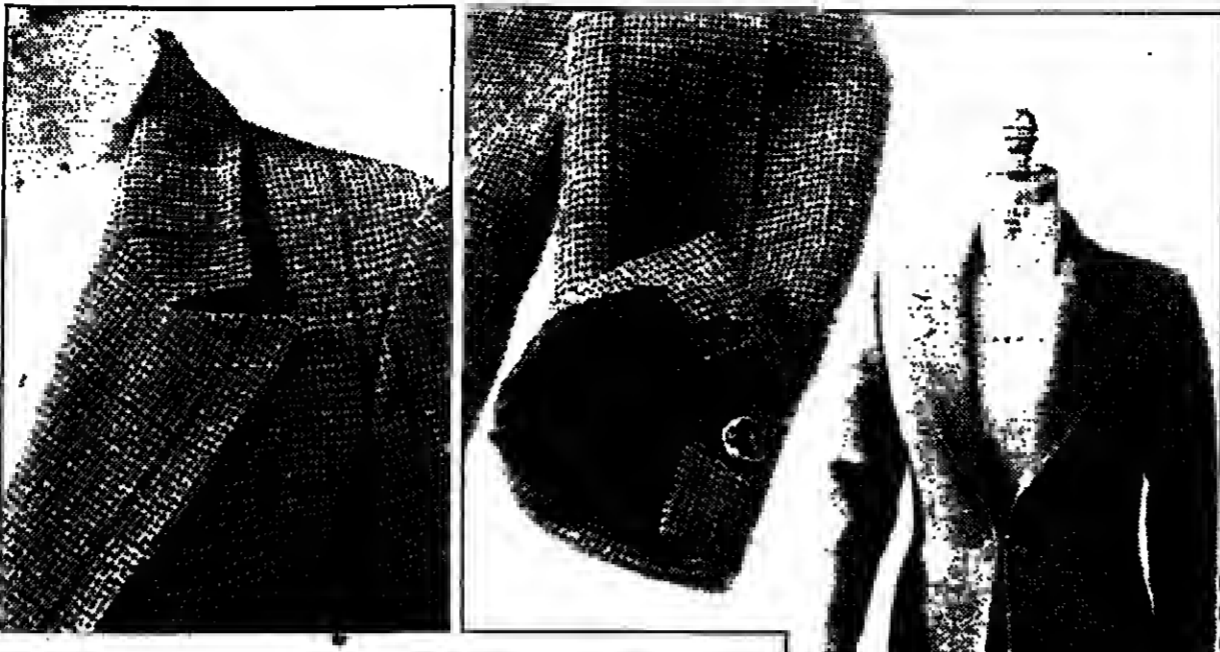
Whale-Watching in Hawaii
 Every year about this time, humpback whales finish their migration from their winter feeding grounds in the Aleutian Islands to Hawaii, where their calves are born. The whales have long brought animal lovers and environmentalists to the islands. They have also inspired an annual art festival, Maui Marine Art Expo, which runs until March 31 at the Maui Intercontinental Wailea Hotel on Maui. A portion of the proceeds from sale of the art will benefit the Cousteau Society, which has conducted research on the whales and even tracked some from Hawaii back to Alaska. The show includes more than 400 pieces — paintings, sculpture, lithographs, jewelry and other works — by artists from Hawaii, elsewhere in the United States and abroad. If they're lucky, visitors will be able to see whales from the hotel lawn or its restaurants.

Chip on Sphinx's Shoulder
 A chunk of the celebrated Sphinx at Giza in Egypt has crashed to the ground and archaeologists say they are concerned that the entire right shoulder of the limestone monument is in danger of collapsing. The Sphinx, 4,600 years old, has been undergoing restorations since Egypt's New Kingdom, more than 3,000 years ago. More recently, about 80 percent of a restoration project begun four years ago has been completed, according to Egyptian archaeologists. The damage occurred a few weeks ago, after six days of sandstorms that battered the monument and the Giza pyramids nearby.

Dry Out With the Club Med
 An alcohol-free week in Club Med's Ixtapa Village in Mexico is being offered in May. Sober Vacations International is scheduling the program for recovering alcoholics and their families. According to the group's president, Steve Abrams, the package includes the regular Club Med program plus regular meetings and workshops, with no alcohol available on the premises. "Ozone Rooms" are available at the College Vagabond Inn in San Diego, which has gone a step beyond the no-smoking room. The inn provides purified air in 10 of its 50 rooms for people sensitive to irritants such as pollen or perfume. The inn rents a machine from nearby Alvarado Hospital to clean the air, and housekeeping staff who enter the room are forbidden to wear any perfume, hair spray or fragrances powder.

Chester To Rebuild Amphitheater
 The city of Chester in northern England is looking to its Roman past to help shape its future. City officials say that they will spend up to \$6 million to reconstruct a Roman amphitheater that they bill as the largest such structure ever uncovered. Walls from Roman times form a two-mile walkway around the city. The amphitheater is partly excavated. The whole structure will be restored to its condition of 2,000 years ago.

The Art of Exploring America
 In the early years of exploration and discovery of the New World, expeditions rarely included artists; pictures were made, when at all, in Europe. Two shows of rare "exploration art," including some of the first pictures of America seen in Europe, are currently on view in New York. A printed version of Columbus's letter to the Spanish court announcing the success of his first voyage is perhaps the rarest of the items in "Encountering the New World, 1493-1800: Rare Prints, Maps and Illustrated Books from the John Carter Brown Library," at the IBM Gallery of Science until April 9. The letter, of which the original is lost, is the oldest of 150 exhibits, and was printed and illustrated in Basel in 1493. Early mapmaking, as can be seen from this 1635 Dutch map of the East Coast of North America was not bound by rules of the compass. This Virginia appears to be to the north of New England. The Morgan Library meanwhile shows 200 watercolors considered to be part of the highly realistic reconnaissance report made by one of the crew who sailed the Spanish Main with Sir Francis Drake during the period 1577 to 1587. The so-called Drake Manuscript depicts the flora and fauna of the West Indies and America, then Spanish territory, listing their respective benefits or dangers. There are also more than 40 drawings of the Indian inhabitants. Until May 1.



The jacket lapel, cuff and buttonhole, and the whole tweed suit. Below, a tailor working at Jimmy Chen's.



Ken Pottinger/Black Star



Photographs by Bill Allen/The New York Times Studio

A Hong Kong Diary: Tailoring for Women

by Amanda Mayer Stinchecum

Monday
 IF you think having a suit made in Hong Kong, where the tourist association's booklet on shopping and restaurants lists 142 tailoring establishments, is easy, think again. At least, if you have visions of a beautifully made, perfectly fitting suit with the construction, fit and hand-sewn touches that come only with custom work. Maybe it's easier if you happen to be a man.
 There are certain accepted standards for men's suits made in Hong Kong. There should be no question about the hand-stitched lapels or pad-stitching on the underside of the collar to give it that soft roll. Narrow cotton tape should be applied along the lapel seam and down the front of the jacket to keep it from stretching out of shape, and wool canvas (called hair canvas) used to give body to lapels, collar and shoulders. For women's suits there seem to be no general standards of workmanship. In general, ladies' tailors know how to fit jackets that hug the waist as well as expand at the appropriate spots, how to cut a variety of collars and front closings, and how to cut and fit a skirt.
 Men's tailors, on the other hand, are used to making more or less boxy jackets and trousers (out that the cut and fit are any less precise, just different) and are reluctant to take on a woman's suit because doing work they are unused to might damage their reputations if not done perfectly. Because I wanted all of the fine work that goes into a

man's custom-made suit, I decided to look for a man's tailor to make mine.
Monday
 The first shop I visited was chosen from a guide that ooted it was one of the few places in Hong Kong that still employed tailors from Shanghai. In two shopping bags I had dragged my four yards of heavy Scottish tweed, carried from the Highlands of Scotland to Brooklyn, from Brooklyn to Tokyo (where it sat in my closet for seven months) and from Tokyo to Hong Kong. Along with the tweed were matching silk thread and rough staghorn buttons from the village of Bonar Bridge in the county of Sutherland. I had also brought my most precious suit, probably 40 or 50 years old, to be copied as exactly as possible by the Hong Kong tailor of my choice.
 In the heat of noon I pushed through the crowds jamming Nathan Road, Hong Kong's main shopping street. I went into a tailor's narrow shop, uneasily eyeing the photographs in the display window of the proprietor with Frank Sinatra, with Pat Boone and with Sammy Davis Jr.
 A woman's blazer of red wool crepe hung on a steel rack by the door. The uneven machine stitching around the lapels caught my eye, then the underside of the lapel, both stiff and flimsy to the touch, suggesting the tailor had used a synthetic interfacing. The underside of the collar showed some of the rows of parallel pad-stitching needed to give the collar a perfect, soft roll. I turned to a half-finished man's jacket

hanging nearby. Before I had a chance to examine it properly, the proprietor announced, "That's out a lady's jacket," and hastened to put it out of my reach. I explained I was looking for someone who would give me the quality of tailoring found in a well-made man's suit, modeled on the suit I had brought with me. That was not possible, he said.
Tuesday
 I called on one of Hong Kong's most esteemed tailoring establishments — A-Man Hing Cheong — in the Mandarin Hotel, where a salesman in an exquisite white-on-white tuxedo shirt said they did not do women's suits but graciously consented to take a look at mine. He inspected the jacket very carefully, pointing out that the shaping darts were not in the same places as in a man's jacket, that it was much more fitted, that they were not used to making skirts and did not think they could do justice to it. In short, sorry, no.
 One more phone call led me to Jimmy Chen & Company on the mezzanine of the Mandarin Hotel. Although all their work is done in one workshop in Kowloon, there are Jimmy Chen shops by the name Italian Tailors and in the Hongkong Hotel. This turned out to be a considerable advantage, because I was able to have two of my fittings at the Peninsula when I had business on the Kowloon side. My young salesman, Danny Kon, assured me that both

New Drouant: Paris Regains A Landmark

PARIS — More than 100 years ago a young Alsatian, Charles Drouant, came to Paris to seek his fortune. He opened a little café-tabac which because of its popularity soon grew into a bona fide bistro. Artists and writers, from Renoir to Rodin, Daudet to Pissarro, gathered there regularly, and soon Restau-

rant Drouant became one of the city's most popular dining spots, renowned for its seafood and fresh Breton oysters. It didn't take long before Paris's journalists, writers and artists — among them Monet and Toulouse-Lautrec — chose Drouant for their Friday luncheons.

By 1914 the restaurant enjoyed such a vogue that the members of the city's elite literary group, the Académie Goncourt, reserved a table at Drouant, from which they delivered the oews of their annual literary prize. They liked Drouant so they decided to stay, and so it has been ever since.

The restaurant gradually expanded. In 1930, five years after the famous Exposition des Arts Décoratifs introduced a new style of decorative arts, Emile Ruhlmann was commissioned to add a touch of style and modernity to a refurbished Drouant. For the popular, casual, bistro-style Grill, he designed a fantasy ceiling of fish and shellfish swimming around in bas-relief. For the walls of the Grill and adjacent Restaurant, he created luminous wall murals in etched glass, playing out the marine theme with craftsmanlike excellence and hard-edged seriousness. For the restaurant's staircase, he designed an exquisite undulating brass-and-wrought-iron stair rail, embellishing it with reclining patterns.

OVER the years, Drouant retained its position as headquarters for the city's literary elite, but soon lost its role as a gastronomic trendsetter. While it once held two Michelin stars, recent guides make no mention of the historic spot. A few months ago, after being closed a year for renovation, Drouant re-emerged, ready to take its place as a Parisian trendsetter. With its waiters elegantly outfitted in gray formal dress, and top-hatted valets at the door, the Drouant now signals a renewed respect for tradition and a slow but inevitable return to a more elegant, old-fashioned style of dining.
 The Goncourt jury members are back dining in their own private dining room on the first Tuesday of each month (where



In the kitchen at the new Drouant: The restaurant signals a respect for tradition and a return to more elegant dining.

Visiting California's Gold-Rush Country

by Robert Lindsey

ON a small, grassy hill overlooking the ruins of Chinese Camp, an old mining settlement, stands St. Francis Xavier Roman Catholic church. The tombstones in its graveyard bear the names of Irish and English immigrants who crossed the Atlantic in search of gold. But the most arresting monument to those who sought riches is the lush canopy of trees that covers much of the town.
 They are called trees of heaven, and wherever Chinese immigrants went during the Gold Rush they planted these sharp-leaved trees as evidence that they had passed by.
 Whenever one travels in California's gold country there are reminders of the men — and the few women — who, during a turbulent and brief span of time, crossed oceans and continents in search of wealth and, in so doing, helped create a state.
VISITORS can easily explore the gold country during a tour of northern California. Although the modern world has superimposed itself on the area, many old mining towns have survived, some boasting fine architectural relics of the Gold Rush, ranging from still-operating hotels and false-fronted general stores to Victorian mansions built with profits from the diggings. Museums and parks help bring the Gold Rush to life and everywhere, it seems, the region is haunted by memories of the 49ers.
 A stream comes into view beside a meandering road, evoking visions of the men who once must have camped beside it in a tent city, trying to coax treasure from its waters. Nearby, a road

marker memorializes the discovery of a solid piece of gold weighing 195 pounds (88 kilograms), another points to a cabin where Mark Twain, a kind of Boswell of the Gold Rush, once lived.
 So town after town, there is an Odd Fellows hall and a Mason's lodge — usually abandoned ruins with crumbling walls that are reminders that the miners, in what was virtually an all-male society, turned to these lodges for fraternity and made them the social centers of scores of mining camps.
 In a restored theater in Nevada City, one easily imagines the voices of a well-known local resident, the singer-dancer Lola Montez, or her protégée, Lotta Crabtree, singing to cheering audiences of miners.
 The Gold Rush began in January 1848, when a few flecks of gold were discovered not far north of Chinese Camp in the American River by a carpenter named James W. W. Marshall. Responding to reports that nuggets bigger than a man's fist were to be found, about 200,000 argonauts converged on the pine-covered western foothills of the High Sierra during the next decade.
 The luckiest found glittering nuggets strewn like pebbles in the streams and rivers of the motherlode, where they had been transported and abandoned by nature.
 When the easy pickings were gone, the 49ers filled their pouches with gold dust sifted from the sand and gravel of the streams by rocking it slowly in a pan and letting the heavy gold descend to the bottom; later, with American ingenuity, they channeled stream waters into wooden sluice-boxes that speeded up the process of separating the gold from the gravel.
 Then they began digging, then tunneling into

the earth to pry gold from the white quartz rock that lay beneath the surface.
 Only a minority of the first wave of miners — and many of the merchants and bankers and robber barons who also flocked to the gold fields — struck it rich. But, rich or poor, the 49ers left a more tangible legacy. No force was more important in the genesis of modern California than the Gold Rush.
 Along with Spanish padres and soldiers who traveled north from Mexico to establish mission communities that were to grow into such cities as San Diego, Los Angeles and San Jose near the coast, the Gold Rush accelerated the colonization of California.
 Propelled by the mystical allure of gold and visions of wealth, the 49ers leaptfrogged a continent, bypassing the middle of America, and established nearly 500 towns in the Sierra foothills. The gold they found — in 1852, the peak year of production, the Sierra foothills yielded \$81.3-million worth — helped build San Francisco and Sacramento and finance the state's early growth.
 These days, fewer than 200 of the old mining towns survive, some no more corporal than a signpost and a few scattered homes.

But many of the ghost towns are coming to life again as the gold country experiences a land rush. Urban refugees are settling in and around many of the old mining camps and creating a land boom of sorts.
 In a sign of the times, one of the hottest political disputes in the gold country has involved the efforts of a mining company to reopen a mine near the town of Shingle Springs; a committee of homeowners, many of them recent emigrants from the cities, has vehemently resisted the project, contending that noise and dust from the mine would disturb the peace they had found in the area.
 Despite such conflicts, memories of the Gold Rush still dominate the foothills of the western Sierras, a place for a leisurely drive broken perhaps by an overnight stay at one of the region's dozens of bed-and-breakfast inns. For visitors who have their fill of Gold Rush history, there are numerous antique stores to explore, and more than a dozen companies offering white-water river rafting expeditions.
 California State Route 49 is a convenient path to follow, and Chinese Camp a good place to begin for those who approach the region from its southern end. (For visitors who want to enter the gold country from its northern end, Sacramento, a jumping-off place for many 49ers, is a good starting point.)
FOUNDED by English miners during the first months of the Gold Rush, Chinese Camp was home to some 5,000 Chinese workers during the scene of a violent confrontation between two rival gangs in 1856. Aside from the church built in 1855 and the trees of heaven,
 Continued on page 13



California operates parks on the theme of the Gold Rush, notably in Coloma. Here, a tinsmith in the Coloma tinsmith shop.

TRAVEL

Beyond Cities: A Hiking Trip in Japan

by Patricia A. Langan

JAPAN and megalopolis are synonymous in the minds of many travelers, but more travelers are discovering a Japan of mountain wilderness that is accessible to the adventurous visitor.

For four years he explored the Hida mountain range of Central Honshu in the Chubu region, which was to become Japan's premier hiking and climbing territory.

As a result of Weston's work, a new national pastime was born. By 1905 there were enough enthusiasts to form a Japan Alpine Club.

Occasionally a Western face appears from the other side of a backpack as hikers move into the park from Kamikochi.

The contrasts in food and shelter are vivid as one moves from cities to wilderness and back again.



Hikers in the spring on the way to Karasawa hut.

Spartan dining room with long tables and benches. It was lights out at 9:30 P.M. when the generator went off.

At 7 A.M. there were rainbows for breakfast, along with scrambled eggs, rice, soy sauce and tiny sheets of seaweed.

That night we packed up again for a morning departure to climb to the next hut, Karasawa, at 7,500 feet.

The weather was partly cloudy as we departed at 8 A.M. Two women elected to stay behind at the lower hut for some leisurely day hiking and reading.

cooked over a fire. We trooped through high, lush green grass and woods.

The day cleared as we began to climb, first on a path up through heavily wooded slopes overlooking ravines and gorges.

Sprung on by the thought that all the beds might be filled, we reached the Karasawa hut by mid-afternoon.

The view was uplifting, but the news about accommodations was not.

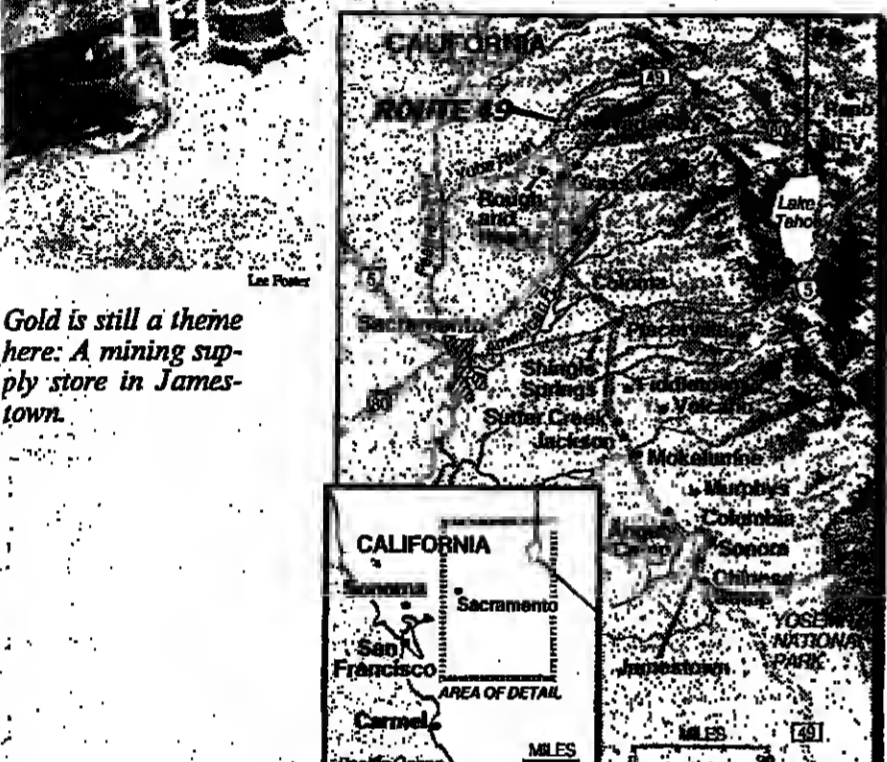
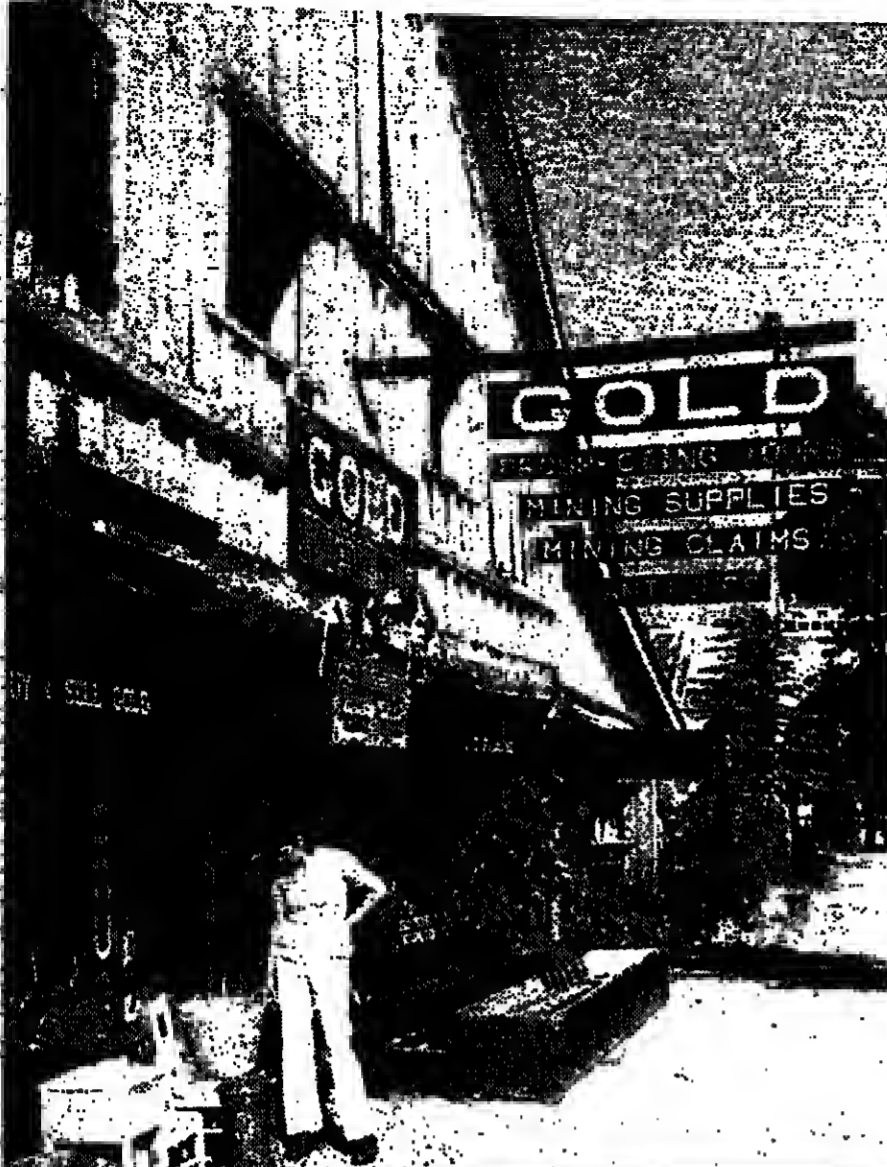
asawa hut with the photographers at long tables before a fire as Mozart tapes played softly in the background.

For two days the fascination of the mountain tableaux kept our minds off feasts and ofures.

Early in the afternoon of our last day in the mountains it was time to begin the descent back to the Tokusawa hut.

En route to our last mountain stop, the small city of Takayama, we were jolted back into contemporary Japan as we passed a huge hydroelectric project and soon rejoined the world of commerce, festivals, gift shops and shrines.

Patricia A. Langan, a reporter for Fortune magazine, wrote this for The New York Times.



Gold is still a theme here: A mining supply store in Jamestown.

Gold Rush Country

Continued from page 11

there remain part of a Wells Fargo express building, an old store and post office.

Heading north, Route 49 takes visitors past Jamestown, whose Main Street is lined with false-fronted Gold Rush-era buildings.

Not far away is the restored town of Columbia. During the 1850s, Columbia had 40 saloons, dozens of stores and scores of gambling halls.

Columbia, which bans automobiles from its streets, looks like every town that has ever appeared in a Western movie.

As Route 49 progresses northward, the scenery is marred by occasional unsightly housing developments and mobile home parks.

Paris Restaurant

Continued from page 11

and chocolate-rich puff pastry and a flavorful caramelized pear tart.

In the Grill, the menu includes tiny papillon oysters, platters of fish and shellfish, and such traditional bistro fare as chicken with vinegar, mussels in a creamy chive sauce.

The sommelier, 32-year-old Jean-Michel Dehuc, is an equally good choice. He began with an empty cellar and has built up a very impressive wine list.

Among the good Bordeaux buys are the little-known and undervalued red Graves, Château La Louvière 1984, for 160 francs.

Jumping Frog of Calaveras County

seems to have exploited frogs as much as the tourist industry in Salem, Massachusetts, has exploited witches.

But visitors are seldom far from such smaller towns as Volcano, Murphys, Mokelumne Hill, Rough and Ready, Fiddletown and Sutter Creek.

About 12 miles (19 kilometers) from Jackson on Highway 88, Volcano was founded in 1848 and quickly attracted a population of more than 5,000 miners.

As in many of the old mining towns, time and fires have ravaged Volcano, which once had 17 hotels and 35 saloons.

Besides Columbia, the state of California operates two other parks that help bring alive memories of the Gold Rush.

The Empire Mine State Park (tel: 916-273-8522) in Grass Valley, which produced six million ounces of gold between 1850 and 1956.

That night we stayed at a comfortable waterside ryokan at Kawaguchi, one of the five Fuji lakes.

HEAVY rain was falling the next morning for our travel day to the Alps.

A minibus, two trains and a caravan of taxis traveling through mountain tunnels and narrow roads brought us to Kamikochi by mid-afternoon.

It wasn't on the edge of a meadow dotted with camper's tents stood a large wooden building. The Tokusawa hut was a basic hostel with communal cold water sinks and a

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SPORTS

Thrills, Chills and Chaos on Short Tracks

By Thomas Bonk
Los Angeles Times Service
CALGARY, Alberta — They wear helmets, arm pads, knee pads and skates. They travel in packs. They need the skates to stay ahead of everybody else. When they are behind, they need the helmets, arm pads and knee pads.

They called him Wilfred. Then he changed to short track speed skating. Now, he's Willie.
Short track skating is scary, fast and it may be an Olympic sport in 1992. Great Britain's team manager, Archie Marshall, hopes so.

"There are so many people out there and they're all grabbing, bumping and hitting each other. But that's part of the sport. The Olympic racing looks silly by comparison."
The best short track racers have to be tough. When — not if — they lose their balance and hit the padded boards, the sound of person meeting pads is similar to that of cannon being fired.



Willie O'Reilly of Britain sped toward a 1,000-meter victory, hotly pursued by Michel Daignault of Canada.

Sometimes, though, it even happens at the finish line. When O'Reilly set a world record in the 500-meter race, he raised his arms in triumph. He began his victory lap. Mario Vincent of Canada came up from behind to congratulate O'Reilly, but when Vincent grabbed him, they both fell to the ice and slammed into the padded wall.

OLYMPIC RESULTS

Table with columns for Medal, Country, Name, and Points. Includes results for Soviet Union, East Germany, and others.

HOCKEY

Table showing Hockey Medal Round results for Soviet Union, West Germany, and others.

FIGURE SKATING

Table listing Figure Skating results for Women's Third Compulsory and Final Overall Compulsory.

NORDIC COMBINED

Table listing Nordic Combined results for Final Overall.

GIANT SLALOM

Table listing Giant Slalom results for Men's Final.

CROSS COUNTRY

Table listing Cross Country results for Women's 30-Kilometer.

Cassini Track Debut Isn't in High Fashion

FREEHOLD, New Jersey — Famed fashion designer Oleg Cassini, 74, has made his professional harness racing debut — finishing dead last. Then he was dumped from the sulky during warmups for his second race.

Lawrence Bacchione, 70, of Bayville was more sympathetic.

He said, "You have to give the guy credit for taking a chance. He's great for senior citizens. We bet on him."
In the fourth race, Cassini was warming up Sluggo when he went to turn the standardbred on the backstretch and the 4-year-old gelding reared, breaking the shaft on the sulky and dumping Cassini onto the dirt.

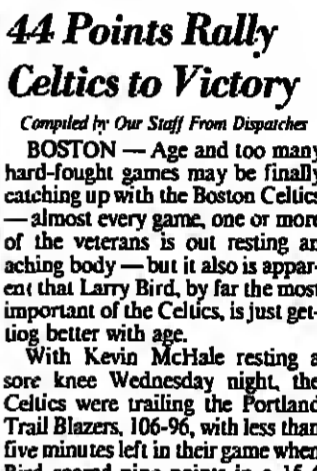
Bird Turns In a Vintage Game

N.C. State Charge Beats No. 5 Duke

Compiled by Our Staff From Dispatches
RALEIGH, North Carolina — Jim Valvano's 300th victory as a U.S. college basketball coach, like many before it, was a tense triumph in an important game in the Atlantic Coast Conference.

44 Points Rally Celtics to Victory

Compiled by Our Staff From Dispatches
BOSTON — Age and too many hard-fought games may be finally catching up with the Boston Celtics — almost every game, one or more of the veterans is out resting an aching body — but it also is apparent that Larry Bird, by far the most important of the Celtics, is just getting better with age.



Larry Bird

SPORTS BRIEFS

Tyson-Spinks Bout Set

NEW YORK (UPI) — Real estate developer Donald Trump announced Thursday that he had paid a record price of \$11 million to land the Mike Tyson-Michael Spinks heavyweight title fight June 27 for his casino in Atlantic City, New Jersey.

For the Record

Lloyd Honeyghan of Britain, who lost his world welterweight title to Jorge Vaca of Mexico in October, has gotten a rematch March 29 at Wembley Arena in London.

America's Cup Field Expanded By San Diego, Likely Too Late

New York Times Service
NEW YORK — The San Diego Yacht Club has agreed to a proposal for a multination America's Cup challenge this year, but probably too late for anyone to build a boat to time for a sailoff with New Zealand before the September cup regatta.

Transition

WASHINGTON — Traded Julius McDougall, infielder, to Detroit for Doug Baker, infielder.
NATIONAL LEAGUE
PITTSBURGH — Signed Doug Drake and John Smiley, pitchers, to one-year contracts.

SCOREBOARD

Table with columns for Basketball, U.S. College Leaders, and U.S. College Results.

National Hockey League Standings

Table showing NHL Standings for Eastern Conference, Western Conference, and Campbell Conference.

Transition

Advertisement for Blaupunkt watches, featuring a watch image and text: 'Transition SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH AND THERE NEVER WILL BE.'

Large vertical advertisement on the left side of the page, partially obscured and containing text like 'er Leads' and 'oulsores'.

NYSE Most Actives table with columns: Ticker, Vol, High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE adv. com. close, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Thursday's NYSE Closing logo and text: 'In The Associated Press'

AMEX Diary table with columns: Ticker, Price, Chg.

NASDAQ Index table with columns: Composite, Industrial, etc.

AMEX Most Actives table with columns: Ticker, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials, Close, Chg.

NYSE Diary table with columns: Adv. Declined, Unchanged, etc.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, % of Total.

Dow Jones Averages table with columns: Index, High, Low, Last, Chg.

Standard & Poor's Index table with columns: Industrials, Total, etc.

NASDAQ Diary table with columns: Adv. Declined, Unchanged, etc.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Most Actives (continued) table with columns: Ticker, Vol, High, Low, Last, Chg.

NYSE Falls as Rally Collapses

NEW YORK — The New York Stock Exchange appeared early Thursday to have overcome a major psychological barrier to further gains. But a late wave of profit-taking broke an early rally and sent prices sharply lower in heavy trading.

level, and if it didn't begin to show signs that the levels were solid. "The market could be setting itself up for a pretty good flop," Mr. Andrews said.

NYSE Most Actives (continued) table with columns: Ticker, Vol, High, Low, Last, Chg.

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NYSE Most Actives (continued) table with columns: Ticker, Vol, High, Low, Last, Chg.

JPN 100.150

Statistics Index table with columns for market indices and their corresponding page numbers.

FRIDAY, FEBRUARY 26, 1988

WALL STREET WATCH

Still Sore, Fund Managers Stay Ready and Stock Cash

By ANISE C. WALLACE
NEW YORK — Even though four months have passed since the stock market collapsed, professional money managers are still acting as if it happened yesterday.

"People have absolutely no conviction about the economy," says one analyst.

Philips Profit Falls 19%

Up to 20,000 Jobs To Be Eliminated

By Ronald van de Krol
Special to the Herald Tribune
EINDHOVEN, Netherlands — Philips NV, the giant Dutch electronics group, said Thursday that its profit tumbled 19 percent.



John A. Mulheren Jr. at a fundraiser in 1982 with Ivan F. Boesky, right. Among Mr. Mulheren's other friends, clockwise, have been the Texas oilman T. Boone Pickens, the former U.S. Treasury secretary Donald T. Regan and the rock star Bruce Springsteen.

A Frenetic Trader's Menacing Edge

Mulheren Arrest Reveals Dark Side of His Zest for Risk

By Anise C. Wallace
NEW YORK — If John A. Mulheren Jr. had had his way, he would now be a member of the U.S. Olympic luge team in Calgary, Alberta, where he hoped to become an instant celebrity.

GNP Growth Revised Upward In U.S. to 4.5%

WASHINGTON — The U.S. economy grew at a brisk 4.5 percent annual rate in the fourth quarter of 1987, the Commerce Department said Thursday, although its upward revision from the 4.2 percent reported last month was less than most analysts had expected.

S AID NORMAN G. FOSBACK, editor of the Mutual Fund Forecaster, a newsletter based in Fort Lauderdale, Florida: "A reading like this is followed by a rising market over the following six to 12 months almost 100 percent of the time."

OECD Urges Europeans To Foster Deregulation

Given Failure of Budget Policy, It Sees Private Sector as Best Bet for Growth

By Carl Gewirtz
International Herald Tribune
PARIS — Since European nations can't seem to stimulate lagging economic growth through budget and tax policies, they should try removing government constraints on markets, the Organization for Economic Cooperation and Development is advising.



FOR PRIVATE BANKING IN SWITZERLAND, AN EXCEPTIONAL BANK

As the sixth largest commercial bank in Switzerland, TDB offers a full range of sophisticated private banking services, from fiduciary deposits to asset management.

Currency Rates

Table of currency rates for various international locations including Amsterdam, London, and Tokyo.

Other Dollar Values

Table showing values for various currencies like the Australian dollar, Hong Kong dollar, and Canadian dollar.

Interest Rates

Table of interest rates for Eurocurrency deposits and forward rates.

Key Money Rates

Table of key money rates for various financial instruments.

Asian Dollar Deposits

Table of Asian dollar deposits for different terms and currencies.

U.S. Money Market Funds

Table of U.S. money market funds with their respective assets and yields.

Gold

Table of gold prices in various locations like London and New York.

BUSINESS ROUNDUP

Campeau Agrees to Sell Brooks Unit

United Press International
TORONTO — Campeau Corp., the Canadian real estate developer and retailing concern, said Thursday that it had agreed in principle to sell its Brooks Brothers operation for \$770 million to Britain's Marks & Spencer PLC to help finance a hostile bid for Federated Department Stores Inc.

to \$63,125, in Thursday trading on the New York Stock Exchange. "He has turned the screw a little tighter," said Monroe Greenstein, a retail analyst with Bear, Stearns.

British Telecom's Profit Rose 13.4% in Quarter

Reuters
LONDON — British Telecommunications PLC said Thursday that pretax profit rose 13.4 percent in its third quarter ended Dec. 31, to \$74 million (\$1.01 billion), as sales rose 8.3 percent to \$2.6 billion. The profit figure was slightly below analysts' forecasts.

Saint-Gobain Seeks All of Certain Teed

Compiled by Our Staff From Dispatches
PARIS — Compagnie de Saint-Gobain, the diversified French glassmaker, and the public water utility Compagnie Générale des Eaux said Thursday that they were forging closer business ties. At the same time, Saint-Gobain launched a \$444.8 million bid for the portion of a U.S. building-materials maker it does not already own.

BELGIUM: De Benedetti Doubles Générale Bid After Rivals Claim Victory

(Continued from Page 1)
péennes Réunies, or Cerus, raised its tender offer to 8,000 Belgian francs (\$226) a share for about 7 percent of Générale's shares.

State Approves Bank of N.Y.'s Bid for Irving

NEW YORK — State regulators gave a nod Thursday to Bank of New York Co.'s hostile bid for Irving Bank Corp., concluding that a merger would not hurt competition in the U.S. financial center.

Union Bank Says Net Fell 3% in '87

ZURICH — Union Bank of Switzerland, the nation's largest bank, reported Thursday that its net profit fell by 3 percent in 1987 to 753 million Swiss francs (\$540 million), its first drop in nine years. The bank posted a 776.2 million franc profit in 1986. It said it would pay a 1987 dividend of 120 Swiss francs per bearer share, down from 160 francs in 1986.

ICI Profit Up 29% in 1987

LONDON — Imperial Chemical Industries PLC said Thursday that pretax profit rose 6.9 percent to \$308 million (\$543 million) in the fourth quarter of 1987 from a year before. This brought full-year pretax earnings in a record \$1.31 billion, up 29 percent from 1986.

Feldmühle's Net Rises as Sales Grow Slightly

DUSSELDORF — Feldmühle Nobel AG, the industrial core of the former Flick group, said Thursday that group net profit rose in 1987 and sales grew 1.8 percent to 9.8 billion Deutsche marks (\$3.8 billion).

Company Results

Table with columns for Company, Revenue, Profit, and other financial metrics for various companies like British Telecom, Hanson Trust, etc.

PHILIPS: Lower Profit, Big Job Cuts Are Announced

(Continued from first finance page)
In London, Angela Dean, an analyst at Robert Fleming Securities Ltd., said Philips' net profit would probably be flat in 1988.

Exchange Cancels Aude Traded

AMSTERDAM — The stock exchange said Thursday that it was canceling Tuesday's trades in the stock of Aude NV because of the way NV Veneiged Beitz VNU raised its takeover bid for Aude.

London Metals

NEW YORK — The London Metals Market closed Thursday with a mixed performance. Gold prices were steady, while silver and platinum prices were lower.

Getty Petroleum Buys Into Texas

NEW YORK — Getty Petroleum said Thursday that it had bought a 10 percent stake in Texas Eastern Petroleum Co. for \$14 million.

Indigo Ideas

Average price of technology stocks selected last week October for the Indigo Index was \$10 1/4. Write, phone or telex for complimentary reports on why such shares now average above \$15 and project to over \$35.

Indigo Ideas

INDIGO INVESTMENT, S.A.
Average price of technology stocks selected last week October for the Indigo Index was \$10 1/4. Write, phone or telex for complimentary reports on why such shares now average above \$15 and project to over \$35.

ROYCO

ROYCO HIGH PERFORMANCE BONDS
35% p/a Average net return in past 3 years
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ROYCO INVESTMENT CO. SA.

BUSINESS SCHOOL LAUSANNE

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The Master of Business Administration, The Doctor of Business Administration, Specialize in International Money & Banking or Global Business.

BHP Shareholders Approve \$1.94 Billion Plan to Thwart a Takeover

MELBOURNE — Shareholders of Broken Hill Pty. overwhelmingly approved Thursday a \$1.94 billion plan to restructure the company, including a takeover of the Australian Resources Ltd. and the sale of the company's oil and gas assets.

Stock Indexes

Table showing stock index movements for various markets including NYSE, NASDAQ, and London.

Market Guide

Table providing market guides for various sectors like Industrials, Chemicals, and Energy.

Commodity Indexes

Table showing commodity index movements for gold, silver, and other metals.

Systemtrend Guaranteed Limited

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UP 55.8% IN 1987
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R.C. Luxembourg B 25054

Fidelity American Assets N.V.

FIDELITY AMERICAN ASSETS N.V.
Registered Office: Schottegweg-Oost 130
Curacao, Netherlands Antilles

Notice of Annual General Meeting

NOTICE is hereby that the Annual General Meeting of the shareholders of FIDELITY INTERNATIONAL FUND, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 13, Boulevard de la Foire, Luxembourg, at 11 a.m. on March 17, 1988, specifically, but without limitation, for the following purposes:

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GREECE
MYCONOS ISLAND
Villa facing St. John's Bay, 75m from

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MONACO
EXCLUSIVE APARTMENT
with large living room, fully equipped

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PARIS & SUBURBS
ARTIST ATELIER PLUS 3 ROOMS
with 2nd floor, 1st floor, 1st floor

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Greenwich/Riverside, CT
Sensational Waterfront
Tucked away on 2 acres at the end of

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Prime New York City properties for

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GREAT BRITAIN
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PARIS AREA UNFURNISHED
14th in nice building, Studio, 7300 net

REAL ESTATE FOR SALE
BAHAMAS
ARABO ISLANDS, Man-O-War Cay
Large wooded lots, private beautiful

REAL ESTATE FOR SALE
GREECE
GREECE IS BEAUTIFUL
Top investment opportunity, Villas, apartments

REAL ESTATE FOR SALE
IRELAND
IRISHLAND, COUNTY CORK
CARRIGAN, 16th century Tudor Castle, stands

REAL ESTATE FOR SALE
PARIS & SUBURBS
ARCELIER, FINE HOUSE in quiet residential

REAL ESTATE FOR SALE
SPAIN
MARBELLA EXCLUSIVE, if you are looking

REAL ESTATE FOR SALE
USA RESIDENTIAL
MERRITT
523 East Putnam Ave., Greenwich, CT

REAL ESTATE FOR SALE
USA RESIDENTIAL
Manhattan Grand Style
20th of Central Park West, 8 floors

REAL ESTATE TO RENT/SHARE
PARIS AREA UNFURNISHED
PARIS PROMOS
Estate Agent - Property Manager

REAL ESTATE TO RENT/SHARE
PARIS AREA UNFURNISHED
16th in nice building, Studio, 7300 net

REAL ESTATE FOR SALE
CYPRUS
CYPRUS-PAPHOS - Lefkos Estates
the leading property developer in Cyprus

REAL ESTATE FOR SALE
MAYFAIR
FOR SALE BY OWNER
Fabulous South Mayfair, 5 apartment

REAL ESTATE FOR SALE
IRELAND
IRISHLAND, COUNTY CORK
CARRIGAN, 16th century Tudor Castle, stands

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PARIS AREA UNFURNISHED
16th in nice building, Studio, 7300 net

REAL ESTATE FOR SALE
LUXURY CHALETS
FRENCH ALPS
Geneve 45 mins, Chamonix 15 mins

REAL ESTATE FOR SALE
LONDON WEST END
Magnificent 18th century house, 21 rooms

REAL ESTATE FOR SALE
ITALY
VIBRANT GRAN CANAL in historical

REAL ESTATE FOR SALE
PARIS - BE ST LOUIS
Front de Seine, 4 bedrooms, 4 bathrooms, 2 balconies

REAL ESTATE FOR SALE
USA RESIDENTIAL
WESTPORT, CT
Blue Chip Waterfront
Sweeping water views through woods

REAL ESTATE FOR SALE
FLORIDA LIVING
LUXURY WATERFRONT VILLAS
Central Palm Beach County, Florida

REAL ESTATE FOR SALE
MANHATTAN CO-OP
4th E. 1100 50 FT
Large 2 bed, 2 bath, 2nd floor

REAL ESTATE TO RENT/SHARE
PARIS AREA UNFURNISHED
PARIS PROMOS
Estate Agent - Property Manager

REAL ESTATE TO RENT/SHARE
PARIS AREA UNFURNISHED
16th in nice building, Studio, 7300 net

REAL ESTATE FOR SALE
FRENCH RIVIERA
Fabulous new villa with panoramic view

REAL ESTATE FOR SALE
LONDON WEST END
Magnificent 18th century house, 21 rooms

REAL ESTATE FOR SALE
ITALY
VIBRANT GRAN CANAL in historical

REAL ESTATE FOR SALE
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FLORIDA LIVING
LUXURY WATERFRONT VILLAS
Central Palm Beach County, Florida

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MANHATTAN CO-OP
4th E. 1100 50 FT
Large 2 bed, 2 bath, 2nd floor

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PARIS AREA UNFURNISHED
PARIS PROMOS
Estate Agent - Property Manager

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PARIS AREA UNFURNISHED
16th in nice building, Studio, 7300 net

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Geneve 45 mins, Chamonix 15 mins

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ST. PETE BEACH on the GULF OF MEXICO

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Sale Location ON THE PREMISES
Pre-registration for this auction will be required.

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EXCLUSIVE

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A new over 1000 sq ft
Swimming pool, Summer resort area,
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SPAIN BUILDING LAND FOR SALE
COSTA DEL SOL
Magnificent hill side plot of 13,000 sqm,
framed by forest overlooking the sea

U.S.A. ANNA MARIA ISLAND on HOLMES BEACH
PALMETTO on the MANATEE RIVER
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U.S.A. Own land in the great American West
Five or more acres of this land can be yours.
Easy credit terms available

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U.S.A. NEW YORK CITY AREA
5TH AVENUE DEAL
Prime 5th Avenue, 10 Rooms
EXCLUSIVE

U.S.A. NEW JERSEY MOTEL/APARTMENTS
A new over 1000 sq ft
Swimming pool, Summer resort area,
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Vertical advertisements on the right edge of the page, including 'Green Dollar', 'Vibke Clinic', and 'Thurs 01'.

CURRENCY MARKETS

Dollar Slips in N.Y. on GNP Revision

NEW YORK — The dollar closed slightly lower Thursday in New York, weakened by a smaller-than-expected upward revision in the U.S. gross national product for the fourth quarter.

London Dollar Rates

Table with 3 columns: Country, Rate, and % Change. Includes entries for Deutsche mark, French franc, and Swiss franc.

The dollar closed in New York at 1.6965 Deutsche marks, down from 1.6960 at Wednesday's close, and at 128.50 yen, down from 128.80, it dipped to 5.7285 French francs from 5.7295 and to 1.3915 Swiss francs from 1.3950.

Japan's GNP Grew at 6% Rate in Quarter

TOKYO — Japan's economy expanded at an annual rate of about 6 percent in the final three months of 1987, government economists estimated Thursday.

ARB: Arrest Suggests a Menacing Edge to a Trader Who Reveled in Risk

(Continued from first finance page)

In his desire to be the best, to be different and to have the most amount of fun in the process, Mr. Mulheren took risks others never imagine. "Most people don't play the game that way," said Albert L. Ziesler, chairman of B.E.A. Associates, a \$7.5 billion investment management firm in New York, who knows Mr. Mulheren. "They hold back."

Mulheren Reportedly Rescued Boesky in '82

By James Sterngold

NEW YORK — One of John A. Mulheren Jr.'s closer friends on Wall Street was the fallen trader, Ivan F. Boesky, and it was a relationship that helped rescue Mr. Boesky from financial crisis at a crucial time in his career.

Boesky's firm suffered huge losses. In fact, according to several Wall Street sources with knowledge of his operations, he lost more than \$60 million. If he had sold his stock and realized the loss he would have been insolvent, the sources said.

Nikkei Climbs Above 25,000

TOKYO — Tokyo's main stock market index, the Nikkei, burst through the 25,000 point barrier Thursday on bullish sentiment that brokers said lacked a special focus.

WORRIED: Fund Managers Stay Away From Stocks

(Continued from first finance page) why they have not bought stocks in recent months. But the chief one is that they think prices will go lower.

likely to rise soon above the high of 2,080 set by the Dow Jones industrial average on Oct. 21, Mr. Hale noted that the Dow dropped 140 points in January after approaching that level.

Mr. Mulheren's lure trading typified his enthusiasm for whatever he undertook. Over the past few years he traveled to Lake Placid, New York, to learn the sport.

Thursday's OTC Prices. NASDAQ compiled as of 4 p.m. New York time. This list, controlled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Table of OTC prices for various stocks including ABC, DEF, GHI, etc. Columns include stock name, price, and change.

Table of OTC prices for various stocks including JKL, MNO, PQR, etc. Columns include stock name, price, and change.

Table of OTC prices for Latin America region including Bogota, Buenos Aires, Caracas, etc.

Table of OTC prices for Middle East region including Amman, Bahrain, Beirut, etc.

Table of OTC prices for Far East region including Bangkok, Bombay, Hong Kong, etc.

Table of OTC prices for Australia region including Adelaide, Brisbane, Melbourne, etc.

Table of OTC prices for New Zealand region including Auckland, Christchurch, etc.

Table of OTC prices for Nickel Rises to Record. Includes text about nickel prices and a table of nickel prices.

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect lot trades elsewhere.

Table A: 12 Month High Low Stock Chg. Yld. PE. Includes various stock listings with columns for stock name, price, change, yield, and P/E ratio.

Table B: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table C: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table D: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table E: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table F: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table G: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table H: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table I: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table J: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table K: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table L: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table M: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table N: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table O: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table P: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table Q: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table R: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table S: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table T: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table U: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 25th Feb. 1988. Comprehensive table listing various international funds with columns for fund name, asset value, and other metrics.

Table V: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table W: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table X: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table Y: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table Z: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AA: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AB: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AC: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AD: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AE: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AF: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AG: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AH: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AI: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AJ: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AK: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AL: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Table AM: 12 Month High Low Stock Chg. Yld. PE. Continuation of stock listings.

Floating-Rate Notes

Table AN: Floating-Rate Notes. Table listing floating rate notes with columns for currency, issuer, and other details.

Deutsche Marks

Table AO: Deutsche Marks. Table listing Deutsche Mark exchange rates and related data.

Japanese Yen

Table AP: Japanese Yen. Table listing Japanese Yen exchange rates and related data.

Pounds Sterling

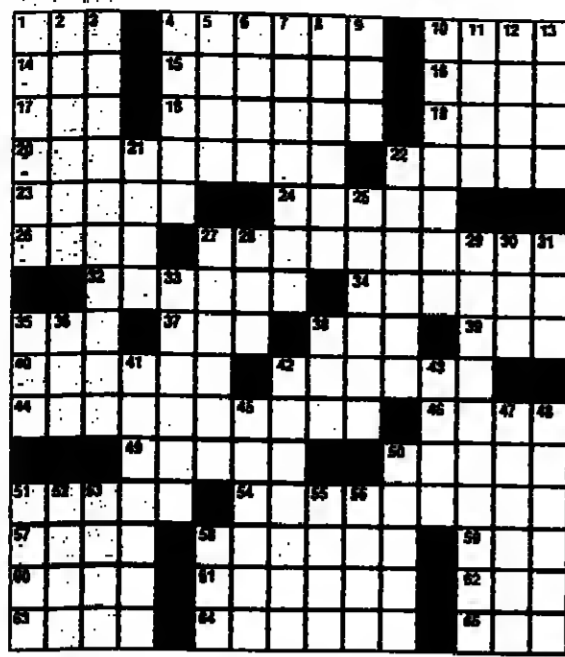
Table AQ: Pounds Sterling. Table listing Pound Sterling exchange rates and related data.

E.C.U.

Table AR: E.C.U. Table listing E.C.U. exchange rates and related data.



Handwritten text at the bottom of the page: 'DPA 01/150'



ACROSS

1 Albumen
2 Posters
3 Experts
4 Courtesan
5 Intrusion
14 Through
15 Stair parts
16 Kind of jerk
17 First of the cardinals
18 In truth
19 Labels
20 Start of a G.B.S. quote
21 Helman's title ones
22 Part of a role
24 Port of Hokkaido
26 S.R.O. show prize
27 Quote: Part II
28 Posters
34 Runners one
35 — Symbol, historic site in Egypt
37 Sedulous colonist
38 Fixation
39 Fan-Amer.
40 Hood's hide-out
42 Hair raiser
44 Quote: Part III
46 — fine

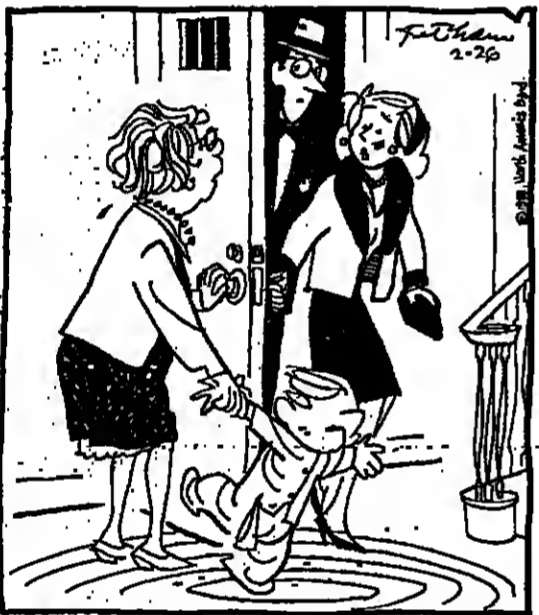
DOWN

1 Horatian offerings
2 City on Lac Léman
3 Inspiration for Keats
4 Philadelphia's Spectrum
48 Issue
6 Discern
7 Some book ends
8 Melancholy, in Metz
9 Aerial clipper
10 Bowl over
11 Mare's-nest
12 Brink

13 Einstein concern
21 Famous penultimate words
22 Kind of toast
23 Sharpness
27 — as in — ain't: Carroll
28 Feature of 4 Down
29 Harmonize
30 Indeed
31 H.S.V.I.P.'s
32 Grated
33 N.F.L. half
36 Scary cry
38 Langley A.F.B. group
41 Huxley's 'Ape and —'
42 Vendor
43 Landlord at 43 Sidhe
45 Paying guest
47 Deed in trust
48 Issue
50 Shavian creations
51 Quabog
52 Notable notice
53 Pitcher with a wide spout
55 Stew
56 Otiase
58 Ruined city in Burma

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DENNIS THE MENACE



'HE'S BEEN INTO EVERYTHING EXCEPT HIS BED!'

JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

CAXTE

GOUBS

PONISH

TRALEY

Answer here: A

Yesterday's Jumble: YOUNG SIEGE GOODLY OBLONG

Answer: What do you call a wet pup? — A SOGGY DOGGY

WEATHER

Table with columns for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania, listing cities and weather conditions.

FRIDAY'S FORECAST - CHANNEL, ROVER, FRANKFURT, SHOW, TEND...

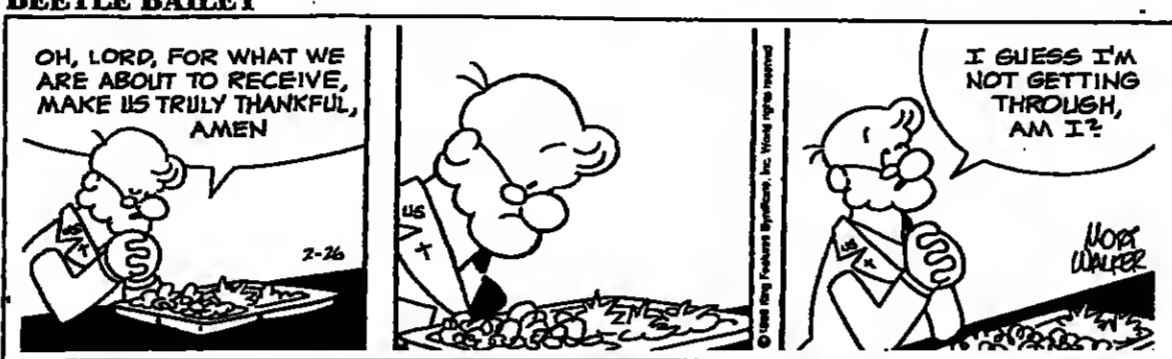
PEANUTS



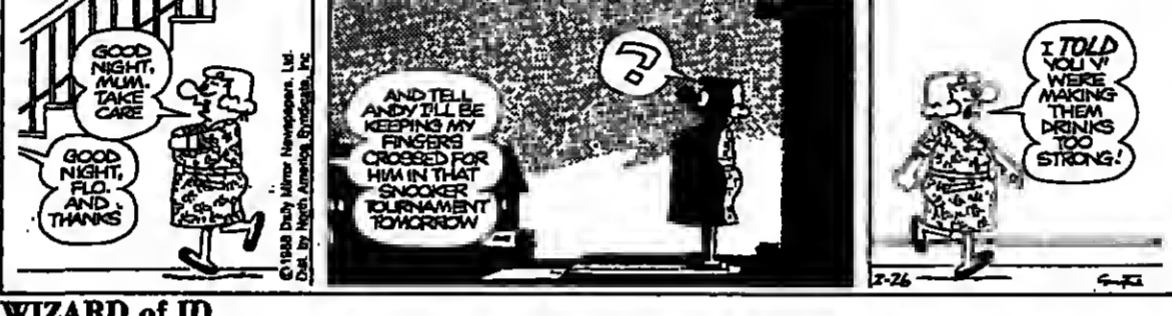
BLONDIE



BEEBLE BAILEY



ANDY CAPP



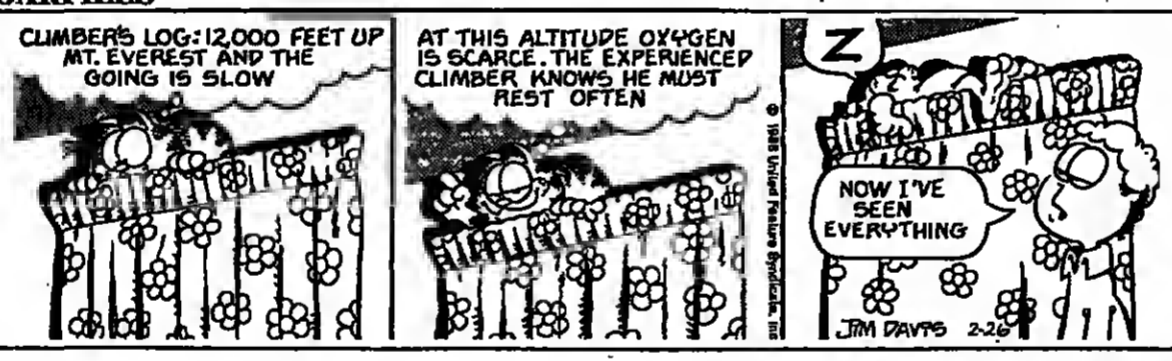
WIZARD of ID



REX MORGAN



GARFIELD



BOOK BRIEFS

VOYAGES OF DISCOVERY: Captain Cook and the Exploration of the Pacific. By Lynne Withey. William Morrow, 105 Madison Ave., New York, N.Y. 10016.

DOMESTIC REVOLUTIONS: A Social History of American Family Life. By Steven Mintz and Susan Kellogg. Free Press/Macmillan, 966 Third Avenue, New York, N.Y. 10022.

When James Cook was growing up a scrambling poor boy, the son of a north Yorkshire farm manager, the Pacific was mostly mare incognitum.

Cook's accomplishments, in the 10 years during which he became the world's most famous explorer, were impressive. His three probes of the Pacific, carrying him as far north and south as sailing ships could go, laid to rest the myth of Terra Australis — at least insofar as Antarctica was not what the theorists had in mind.

The special strength of Withey's treatment of Cook's story, apart from her exceptional narrative style, is to fix the voyages in the scientific, strategic and literary setting of their time.

A CAMBODIAN ODYSSEY. By Hain Ngor with Roger Warner. Macmillan, 866 Third Avenue, New York, N.Y. 10022.

"The Killing Fields" tells the true story of Dith Pran, a Cambodian journalist who saved the lives of two foreign correspondents, including his close friend Sydney Schanberg, and was then thrown out into his country's revolution where he nearly perished.

Ngor's well-crafted book makes an unimaginable horror come to life.

(Elizabeth Becker, WP)

BRIDGE

By Alan Truscott

THE transfer concept, which was developed in Sweden and Texas more than 30 years ago, can have many ramifications.

The resulting off-beat contract was poor: the declarer had to assume a normal trump split and a favorable position of the spade king.

New Minor cashed the diamond king and surrendered a trick to the jack, leaving West helpless.

(Elizabeth Becker, WP)

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Feb. 25

Table of World Stock Markets showing closing prices in local currencies for various cities including Amsterdam, London, Frankfurt, and Tokyo.

Toronto Feb 25

Table of Toronto Stock Market showing various stock prices and indices.

Missouri Feb 25

Table of Missouri Stock Market showing various stock prices and indices.

Stocks

Table of various stocks and their prices, including companies like Alcan, BHP, and others.



PEOPLE

Queen Elizabeth Heads List of U.K. Billionaires.

Britain has seven billionaires in pounds sterling, headed by Queen Elizabeth II, whose personal fortune was estimated at £3.34 billion (almost \$5.8 billion) by Money Magazine.

Tammy Faye Bakker wants the Academy Award-winning actress Sally Field to play her in a made-for-TV film about the saga of her and her husband Jim Bakker's fall from grace as leaders of the PTL evangelical ministry.

A neurologist at the University of California at San Diego has been awarded the first Potamkin Prize for Alzheimer's Research.

García Márquez on Love and Plagues



The busy Gabriel García Márquez.

any creation, the two stories came together in my mind. I had all the love of the young people from my parents and from the old couple I took the love of old people.

And the other source? Many years ago, in Mexico, I read a story in a newspaper about the death of two old Americans—a man and a woman—who would meet every year in Acapulco, always going to the same hotel, the same restaurants, following the same routine as they had done for 40 years.

OBSERVER

And in a Clean Glass

By Russell Baker

NEW YORK — A mind in search of an idea: George Bush... burning bush... Moses... Aaron... baseball... Absolutely not! No baseball column! Try again!

Hold it with those Georgics, by which, I assume, you refer to the poems of the Roman versifier Virgil. No references to Latin in the column, since they suggest the columnist studied Latin in school, thereby making readers suspect he is old, old, old.

Religion is just as verboten as baseball. And remember before you try again: no wise-guy stuff about feminism either.

Ethnic material is absolutely out, verboten, kaput, and anyhow everybody knows the punch line to that old chestnut. Give me something fresh, but not ethnic, religious, political, Roman, funny-looking when it's spelled out, or about baseball.

Forget bobby, it's a dead end. Dead End Kids, Our Gang, Snow White and the Seven Dwarfs, Seven Brides for Seven Brothers, Fog Little Indians, Twelfth Night, and the rain it raineth every day.

and the second fellow says, "I want a glass of water, too."

I told you everybody knows the punch line, so forget it. Forget Dead End Kids, too. Readers hate reading about death. Ten Little Indians is out; it's ethnic. Seven dwarfs, out; sounds like making fun of the disabled. Our Gang? Sounds like one of those old-timer reminiscence columns about bow fists and brass knuckles were good enough in my days, so what's the matter with kids today that they've got to have machine pistols and hand grenades? Young readers hate that stuff. Seven Brothers, forget it. The Planned Parenthood crowd will be all over me. Twelfth Night? Impossible. Not only is it a religious date, it could also offend readers of Shakespeare. Why should I use my valuable space to promote a competitor wordsmith?

No poetry. Americans hate poetry. They think poems are coded messages passed among highbrows who won't let ordinary people know where to get a decoder.

Decoders, Orphan Annie, Warbucks, Pentagon, Potomac River, riverbank, past, Eve and Adam's, from someone of shore to bend of bay, brings us by a commodus vicus of watery recirculation back in the third fellow who says, "I'll have a glass of water too."

Absolutely not! Absolutely not! There will be no encouragement of Joycean gobbledegook in my column, devoted as it is to an English of such pure comprehensibility that the most abstruse subject becomes easily graspable through the clarity of its expression.

Not in my column, buddy. With that Avalon, you're very close to a New Jersey joke, and New Jersey jokes are taboo. So is criticism of Israeli public-information policy. If the Israeli government wants to tell it in Askeion, let them tell it. Waters that babble on... so she turns to the fourth guy and says, "And what for you, Big Spender?" And the fourth guy says, "I want a glass of water, too, and I want it."

By Marjorie Simons

GABRIEL GARCÍA MÁRQUEZ is about to publish "Love in the Time of Cholera," a work he calls a novel of manners: the story of two people whose lives, thwarted in their youth, finally flourish when they are close to 80.

A Colombian by birth as well as by literary inspiration, he will soon be 60 and seems as busy, vigorous and playful as ever. After meditating in the early 1980s about the Colombian Government and leftist guerrillas, he has not returned in Colombia because of widespread violence there. These days, he and his wife, Mercedes, divide their time between Mexico City, their permanent home for the last 25 years, and Havana, where he is organizing and directing the Foundation of New Latin American Cinema.

Though widely viewed as a political activist of the left, to his friends he is simply unorthodox, a storyteller who objects to theorizing and generalizations and who likes to deal with life in the unexpected anecdotal way it comes. Over several afternoons in Mexico City recently, we talked about his interest in plagues, politics and cinema, as well as his latest book. Here are some excerpts from the interviews in The New York Times Book Review:

You have just finished a play and are writing film scripts and directing a film institute. Are you changing your life? No, because I'm writing a novel. And I am finishing this one so I can start another. But I have never had so many things going on at the same time. I think I have never before felt so fulfilled, so much in the prime of my life.

And the style? Do you see this as a departure from your earlier work? In every book I try to take a different path and I think I did here. One doesn't choose the style. You can investigate and try to discover what the best style would be for a theme. But the style is determined by the subject, by the mood of the times. If you try to use something that is not suitable, it just won't work. The style is built. Above all, there are points of view I didn't have before. I'll be 60 this year. At that age, one becomes more serene in everything.

There was an insect plague in "One Hundred Years of Solitude," and in one of your stories a plague killed all the birds. Now there is the "Time of Cholera." What is it that intrigues you so about plagues? Cartagena really had a great plague at the end of the last century. And I've always been interested in plagues, beginning with "Oedipus Rex." I've read a lot about them. "A Journal of the Plague Year" by Daniel Defoe is one of my favorite books. Plagues are like imponderable dangers that surprise people. They seem to have a quality of destiny. It's the phenomenon of death on a mass scale. What I find curious is that the great plagues have always produced great excesses. They make people want to live more. It's that almost metaphysical dimension that interests me.

What was the genesis of "Love in the Time of Cholera"?

It really sprang from two sources that came together. One was the love affair of my parents, which was identical in that of Fermína Daza and Florentino Ariza in their youth. My father was the telegraph operator of Aracataca [Colombia]. He played the violin. She was the pretty girl from a well-to-do family. Her father was opposed because the boy was poor and he was a liberal. All that part of the story was my parents'...

I always thought I would write my parents' story, but I didn't know how. One day, through one of those absolutely incomprehensible things that happen in literature...

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE. Appears on page 20.

ANNOUNCEMENTS, EMPLOYMENT, GENERAL POSITIONS WANTED, MOVING, etc.

EMPLOYMENT, DOMESTIC POSITIONS AVAILABLE, BILINGUAL NANNY, etc.

AUTOS TAX FREE, TRANSCO, etc.

ANTIQUES, EDUCATION, LEGAL SERVICES, etc.

ANNOUNCEMENTS, SAVE MORE SUBSCRIBE BEFORE MARCH 31, 1988, etc.

EMPLOYMENT, EXECUTIVES AVAILABLE, etc.

International Business Message Center, BUSINESS OPPORTUNITIES, etc.

AUTOS TAX FREE, TAX FREE CARS, etc.

LEGAL SERVICES, etc.

HOLIDAYS AND TRAVEL, LOW COST FLIGHTS, ACCESS VOYAGES, etc.

HOLIDAYS AND TRAVEL, HELLAS YACHTING, etc.

Car Care Product DISTRIBUTOR WANTED, Catle Feeding Investment PARAGUAY S.A., etc.

FORMER IRS ATTORNEY, FINANCIAL INVESTMENTS, etc.

DIAMONDS, etc.

HOLIDAYS AND TRAVEL, HOME EXCHANGE INTERNATIONAL, etc.

HOLIDAYS AND TRAVEL, THE DIPLOMAT HOTEL, etc.

COOPERATIVE OWNED SHIPPING COMPANY, CHAIN OF BELGIAN SHOPS, etc.

OFFICE SERVICES, etc.

OFFICES FOR RENT, etc.

HOLIDAYS AND TRAVEL, etc.

HOLIDAYS AND TRAVEL, etc.

BODYGUARDS, etc.

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